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Annual Financial Report

County of Stanislaus, California

Fiscal Year Ended June 30, 2009

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Annual Financial Report

County of Stanislaus, California
Fiscal Year Ended
June 30, 2009

Prepared By
Stanislaus County Auditor-Controller's Office
Larry D. Haugh, Auditor-Controller

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

Financial Section:

Independent Auditor's Report 1

Management's Discussion and Analysis (Required Supplementary Information) 3

Basic Financial Statements:

Government-wide Financial Statements:
- Statement of Net Assets 15
- Statement of Activities 16

Fund Financial Statements:

Governmental Funds:
- Balance Sheet 18
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 19
- Statement of Revenues, Expenditures and Changes in Fund Balances 20
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21
- Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on the Budgetary Basis:
  - General Fund 22
  - Behavioral Health and Recovery Special Revenue Fund 30
  - Community Services Agency Special Revenue Fund 31

Proprietary Funds:
- Statement of Net Assets 32
- Statement of Revenues, Expenses and Changes in Fund Net Assets 33
- Statement of Cash Flows 34

Fiduciary Funds:
- Statement of Fiduciary Net Assets 36
- Statement of Changes in Fiduciary Net Assets 37

Notes to the Basic Financial Statements 38

Required Supplementary Information 85

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

Combining and Individual Fund Statements:

Nonmajor Governmental Funds:
- Combining Balance Sheet 87
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances 88

Nonmajor Special Revenue Funds:
- Combining Balance Sheet 90
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances 92

Nonmajor Enterprise Funds:
- Combining Statement of Net Assets 95
- Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 96

Internal Service Funds:
- Combining Statement of Net Assets 98
- Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 100

Statistical Information:

Government-wide:
- Net Assets by Component 103
- Changes in Net Assets 104
- Governmental Activities - Tax Revenues by Source 106

Fund Information:
- Fund Balances of Governmental Funds 107
- Changes in Fund Balances of Governmental Funds 108

Property Taxes:
- Net Assessed and Estimated Actual Value of Taxable Property 109
- Property Tax Rates and Distribution of General Levy Property Tax Rate Among Direct and Overlapping Governments 110
- Principal Property Taxpayers 111
- Property Tax Levy and Collections 112

Debt Capacity:
- Legal Debt Margin 113
- Estimated Direct and Overlapping Bonded Debt 114

Demographic and Economic Information
- Demographic and Economic Statistics 115
- Principle Employers 116
- Full-time Employees by Function 117
- Miscellaneous Statistical Data 118

Stanislaus
County
Striving to be the Best

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury and Board of Supervisors
of the County of Stanislaus, California

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, the aggregated remaining fund information, of the County of Stanislaus, California, (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregated remaining fund information of the County of Stanislaus, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

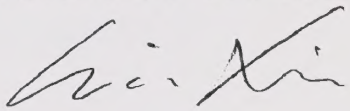
The *management's discussion and analysis* and *schedules of funding progress* as listed in the accompanying table of contents is not a required part of the County's basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the statistical section identified in the table of contents, where applicable, are presented for the purposes of additional analysis and are not a required part to the basic financial statements. The information in the statistical section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2009, on our consideration of the County of Stanislaus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
December 16, 2009

Management's Discussion and Analysis

COUNTY OF STANISLAUS
Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2008-2009 fiscal year by $720 million (*net assets)*. Of this amount, $442 million is invested in capital assets net of related debt and $210 million is restricted for specific purpose (*restricted net assets*), leaving $68 million in unrestricted net assets.

- The government's total net assets decreased by $9 million.

- As of June 30, 2009, the County governmental funds reported combined fund balances of $446 million, a decrease of $7 million from the prior year. Approximately 81% of the combined fund balances, or $360 million is available to meet the County's current and future needs (*unreserved fund balance).*

- At the end of the fiscal year, unreserved fund balance for the General Fund was $81 million, or 31% of total General Fund expenditures and transfers.

- The County's total long-term liabilities changed by a net $12 million in fiscal year 2008-2009. The decrease in long-term liabilities is mainly due to the annual debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. The Redevelopment Agency, Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and Public Facility Fees, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

The County adopts an annual appropriated budget for its General Fund and most of its Special Revenue Funds. Budgetary comparison statements have been provided in this report for the General Fund and the major Special Revenue Funds.

The governmental funds financial statements can be found on pages 18-31 of this report.

Proprietary funds are divided into two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance activities, Central Services, Fleet Services, Technology and Communication, and Morgan Shop Garage. All of these activities, except the Professional Liability Self-insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink and Geer Road Landfills, and the Health Clinics and Ancillary Services Fund are considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 32-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 38-83 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 86-102 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $720 million at the close of the 2008-2009 fiscal year.

By far the largest portion of the County's net assets (61%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Stanislaus Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 561,942,256	$ 569,749,130	$ 53,762,806	$ 50,871,465	$ 615,705,062	$ 620,620,595
Capital assets	509,226,492	529,946,177	25,996,453	24,290,944	535,222,945	554,237,121
Total assets	1,071,168,748	1,099,695,307	79,759,259	75,162,409	1,150,928,007	1,174,857,716
Long-term liabilities outstanding	322,997,036	336,291,719	3,519,181	2,649,167	326,516,217	338,940,886
Other liabilities	59,441,480	62,095,709	44,818,019	34,928,441	104,259,499	97,024,150
Total liabilities	382,438,516	398,387,428	48,337,200	37,577,608	430,775,716	435,965,036
Net assets:						
Invested in capital, net of related debt	418,149,972	435,204,374	24,087,472	23,544,958	442,237,444	458,749,332
Restricted	189,524,182	193,992,595	20,831,269	20,404,464	210,355,451	214,397,059
Unrestricted	81,056,076	72,110,910	(13,496,679)	(6,364,621)	67,559,397	65,746,289
Total net assets	688,730,230	701,307,879	31,422,062	37,584,801	720,152,292	738,892,680
Restatement of Equity - prior period adj				(9,637,050)		(9,637,050)
Net assets including restatement	$ 688,730,230	$ 701,307,879	$ 31,422,062	$ 27,947,751	$ 720,152,292	$ 729,255,630

Another significant portion of the County's net assets, $210 million, or 29% represents resources that are subject to external restrictions on how they may be used. The remaining $68 million of the County's net assets are unrestricted. At the end of the current fiscal year, the County is able to report, in total, positive balances in all three categories of net assets.

The County's total net assets decreased by $9 million during the current fiscal year as revenues exceeded expenses by that amount.

For business-type activities, the County reported a negative balance of $13 million in unrestricted net assets. The negative variance of $7 million from the prior year's unrestricted net assets is partially due to the one-time sale proceeds of Stanislaus Behavioral Health Center in fiscal year 2008-2009.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Governmental activities Governmental activities decreased the County's net assets by $13 million, as the amount of expenses exceeded revenues.

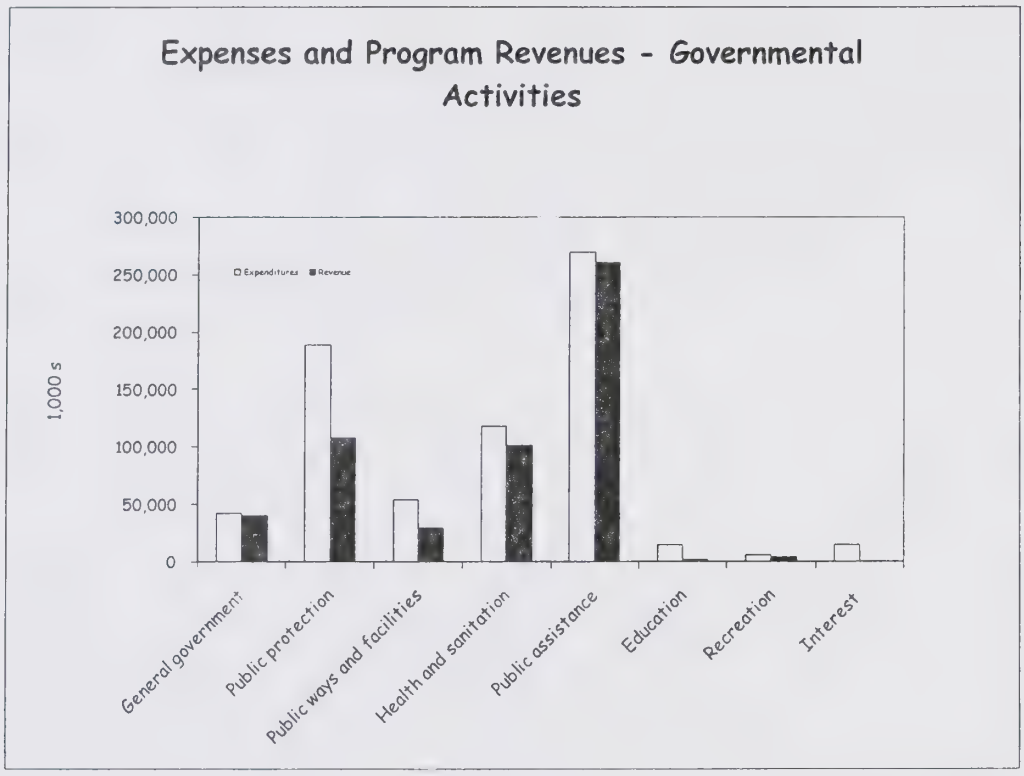
The following table indicates the changes in net assets for governmental and business-type activities:

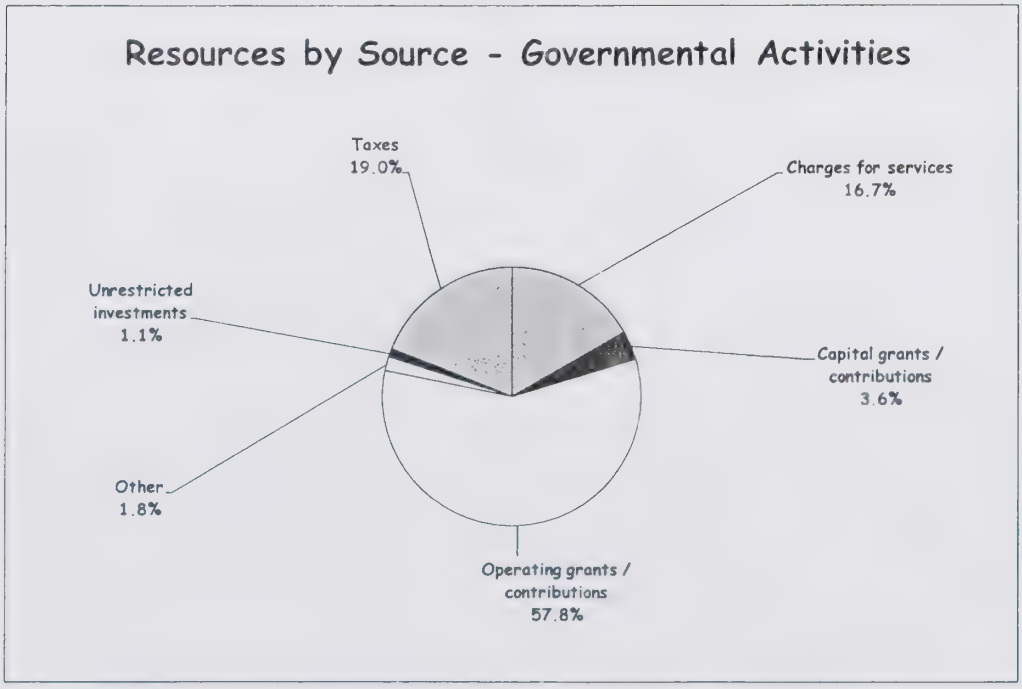
County of Stanislaus Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 116,839,103	$ 126,103,519	$47,141,546	$51,196,939	$163,980,649	$ 177,300,458
Operating grants and contributions	404,255,872	407,883,255	2,952,731	2,567,553	407,208,603	410,450,808
Capital grants and contributions	25,452,497	24,598,071		742,258	25,452,497	25,340,329
General revenues:						
Property taxes	103,175,578	113,743,380			103,175,578	113,743,380
Sales taxes	26,568,776	29,552,774	2,781,611	2,528,268	29,350,387	32,081,042
Other taxes	2,765,178	2,583,804			2,765,178	2,583,804
Unrestricted investment earnings	7,448,383	11,247,849	673,367	943,553	8,121,750	12,191,402
Grants/contributions not restricted	2,508,165	2,593,701			2,508,165	2,593,701
Other general revenue	9,734,087	10,011,674			9,734,087	10,011,674
Total revenues	698,747,639	728,318,027	53,549,255	57,978,571	752,296,894	786,296,598
Expenses:						
General government	41,874,466	43,025,653			41,874,466	43,025,653
Public protection	188,612,369	191,239,717			188,612,369	191,239,717
Public ways and facilities	53,935,268	55,988,788			53,935,268	55,988,788
Health and sanitation	117,806,204	121,365,271			117,806,204	121,365,271
Public assistance	269,101,718	259,362,079			269,101,718	259,362,079
Education	14,687,440	15,610,881			14,687,440	15,610,881
Recreation	5,811,357	6,879,842			5,811,357	6,879,842
Interest on long-term debt	15,244,566	16,122,979			15,244,566	16,122,979
Landfills			4,766,494	4,561,797	4,766,494	4,561,797
Behavioral health			(2,472)	3,403,472	(2,472)	3,403,472
Health clinics and ancillary			44,109,486	44,898,435	44,109,486	44,898,435
Inmate welfare and commissary			1,864,632	1,555,411	1,864,632	1,555,411
Transit			3,588,704	3,133,519	3,588,704	3,133,519
Total expenses	707,073,388	709,595,210	54,326,844	57,552,634	761,400,232	767,147,844
Net asset increase (decrease) before transfers	(8,325,749)	18,722,817	(777,589)	425,937	(9,103,338)	19,148,754
Transfers	(4,251,900)	(11,265,358)	4,251,900	11,265,358		
Change in net assets	(12,577,649)	7,457,459	3,474,311	11,691,295	(9,103,338)	19,148,754
Net assets, July 1	701,307,879	691,820,835	37,584,801	25,893,506	738,892,680	717,714,341
Restatements - See Note 2		2,029,585	(9,637,050)		(9,637,050)	2,029,585
Net assets – July 1, restated	701,307,879	693,850,420	27,947,751	25,893,506	729,255,630	719,743,926
Net assets – June 30	$ 688,730,230	$ 701,307,879	$31,422,062	$37,584,801	$720,152,292	$ 738,892,680

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

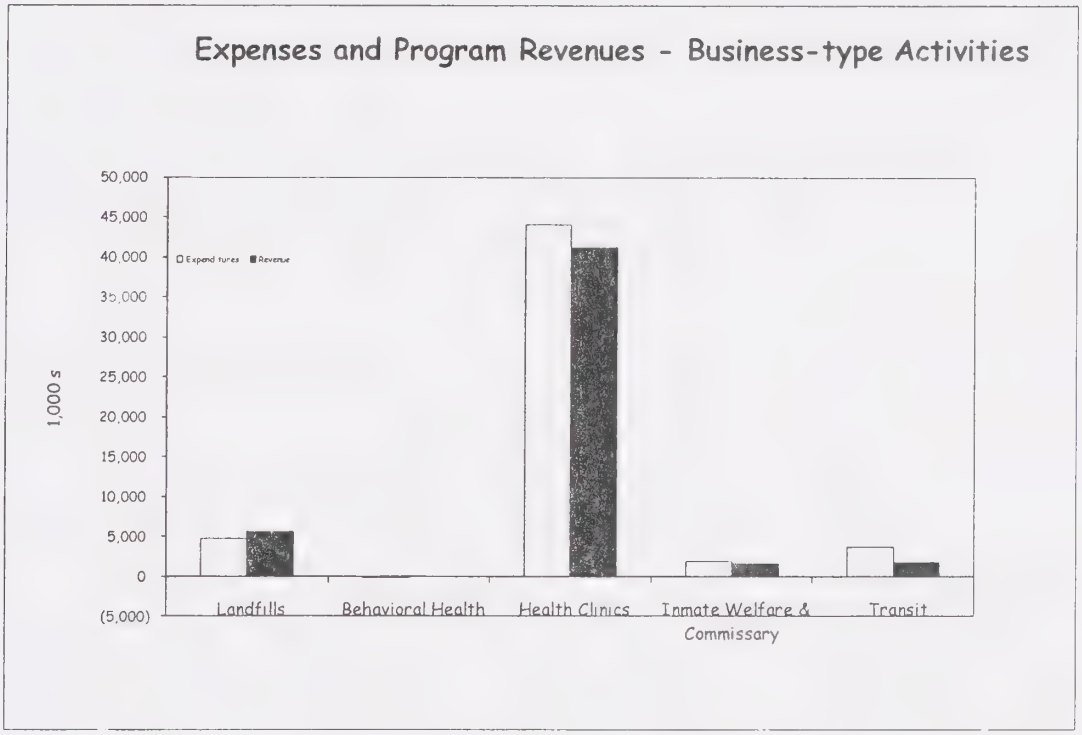
Governmental activities (Cont.)

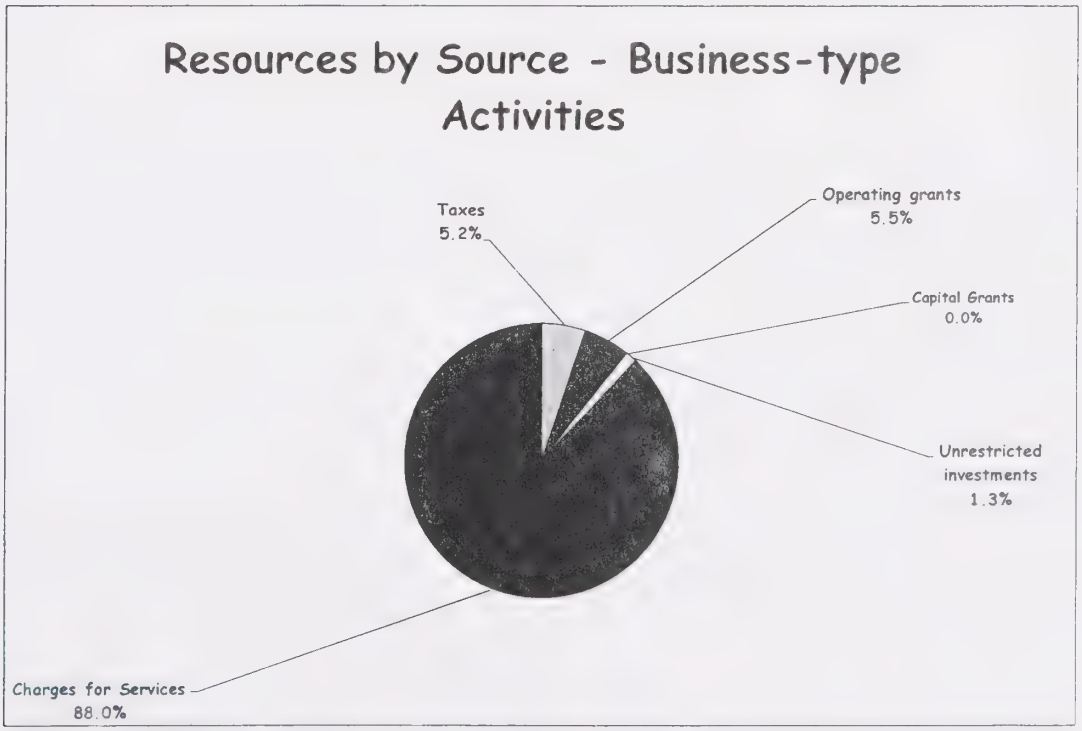




GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Business-type activities





FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses ***fund accounting*** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009, the County's governmental funds reported combined fund balances of $446 million, a decrease of $7 million in comparison with the prior year. The lower fund balance is a result of decreased revenues in taxes, public facility fees, and charges for services.

Approximately 81% ($359 million) of the combined fund balances constitutes *unreserved fund balance,* which is available for spending by the government. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed:

1) to pay debt service $15.1 million
2) to capital projects $1.7 million
3) to liquidate contracts and purchase orders of the prior period $28.0 million
4) to reflect amount due from other funds that are long-term in nature and thus do not represent available spendable resources $0.5 million
5) to reflect long term receivables for delinquent taxes due from taxpayers $29.0 million
6) to reflect amounts loaned to other governments that are long-term and do not represent available resources $4 million
7) to a variety of other restricted purposes $7.8 million.

The General Fund is the chief operating fund of the County. At June 30, 2009, unreserved fund balance of the General Fund was $81 million while total fund balance was $123 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31% of total fund expenditures and transfers, while total fund balance represents 48% of that same amount.

The County's management also designates (earmarks) unreserved fund balance to a particular function, project, activity or for purposes beyond the current year. However, designated fund balance is available for appropriation at any time. Of the $81 million General Fund unreserved fund balance, 59% is designated. Unreserved, undesignated fund balance at year-end was $33 million compared to $8 million at June 30, 2008. Variance is partially due to decreased designation related to Teeter receivable. A change in the methodology related to the tax loss reserve is another factor in the favorable variance.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Cont.)

The total fund balance of the County's General Fund was consistent with the prior year.

The debt service funds have a total fund balance of $15 million. Most of the debt service fund balance is reserved for debt service payment, consistent with prior years.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	Stanislaus County Proprietary Funds				
	Major Funds			Non-major	
	Fink Road Landfill	Geer Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	Total
Operating revenues	$ 4,902,033	$ -	$ 38,905,843	$ 1,932,450	$45,740,326
Operating expenses	4,766,492		42,715,032	5,450.867	52,932,391
Operating income (loss)	135,541		(3,809,189)	(3,518,417)	(7.192,065)
Non-operating revenues (expenses), net	993,084	95,175	323,422	4,201,696	5,613,377
Net income (loss) before contributions and transfers	1,128,625	95,175	(3,485,767)	683,279	(1,578,688)
Contributions and transfers	(476,090)	450,000	7,590,262	(2,312,273)	5,251,899
Net income	$ 652,535	$545,175	$ 4,104,495	$(1,628,994)	$ 3,673,211

GENERAL FUND BUDGETARY HIGHLIGHTS

The County appropriated $5.7 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. At year-end, revenues were less than budgetary estimates in the General Fund by $3.0 million and expenditures were less than budgetary estimates.

During the year, appropriations were increased by a net $2.3 million resulting in a difference between the original budget and the final amended budget. The significant increase in appropriations was related to the Sheriff's Office, Elections Division and the District Attorney's Office.

The original budget for General Fund Match (transfers out) was increased by $2.3 million. The match was increased for the operational activities of the Community Services Agency and to fund the Juvenile Hall Fire Alarm System.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounted to $535 million (net of accumulated depreciation). This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, and equipment. The County's total investment in capital assets for the current period decreased from the prior year due to depreciation.

Major capital asset events during the 2008-2009 fiscal year included the following:

- The Regional Water Safety Training Center-Empire Pool was opened for public use on June 13, 2009. Gallo Center for the Arts fiscal year expenses were $2.3 million.
- Acknowledge award of $18 million from the State of California Corrections Standards Authority for the construction of 60-bed Juvenile Youth Treatment Facility.
- Closing costs for the Gallo Center for the Arts for fiscal year 2008-2009 were $1.2 million.
- Emergency power and fire suppression costs for the Sheriff's Office were $915 thousand for the fiscal year 2008-2009.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Stanislaus Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	$ 40,271,818	$ 40,002,942	$ 15,462,882	$ 15,462,882	$ 55,734,700	$ 55,465,824
Infrastructure	274,972,149	297,164,563			274,972,149	297,164,563
Structures and improvements	146,832,062	111,651,629	4,068,328	4,670,698	150,900,390	116,322,327
Equipment	43,092,598	41,883,563	6,385,802	4,157,364	49,478,400	46,040,927
Construction in progress	4,057,865	39,243,480	79,441		4,137,306	39,243,480
Total	$ 509,226,492	$ 529,946,177	$ 25,996,453	$ 24,290,944	$ 535,222,945	$ 554,237,121

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)

Long-term debt

At June 30, 2009, the County had total long-term debt outstanding of $269 million compared to $285 million as of June 30, 2008. The decrease of $15 million is due to annual debt service payments.

Our long-term debt ratings are an "A" from Standard and Poor's Corporation and an "A3" from Moody's Investor service.

County of Stanislaus
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Certificates of Participation	$ 91,210,875	$ 98,537,138	$ 553,136	$ 721,216	$ 91,764,011	$ 99,258,354
Pension Obligation Bonds	48,070,000	55,790,000			48,070,000	55,790,000
Tobacco Securitization Note	100,733,611	103,083,611			100,733,611	103,083,611
Accreted Interest Tobacco Note	9,016,239	5,979,861			9,016,239	5,979,861
RDA USDA Loan	4,265,000	4,325,000			4,265,000	4,325,000
RDA 2005 Tax Allocation Bonds	14,445,000	14,870,000			14,445,000	14,870,000
RDA State Water Board Loan	1,111,965	1,252,295			1,111,965	1,252,295
Total	$ 268,852,690	$ 283,837,905	$ 553,136	$ 721,216	$ 269,405,826	$ 284,559,121

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate in the County for September 2009 was 15.3% compared to 12.3% for the State of California and 9.8% for the nation.
- Median home prices in Stanislaus County decreased 21.8% from September 2008 to September 2009. Statewide median home prices decreased 7.3% for the same period.
- Building permits issued in Stanislaus County decreased 53.0% in September 2009 compared to the prior year. Statewide issuance of building permits decreased by 32.1% for the same period.
- Proposition 1A allows the State to borrow up to 8% of local property tax. The total amount estimated for Stanislaus County is $7.9 million in fiscal year 2009-2010.
- Unreserved, undesignated fund balance as of June 30, 2009 is $33 million. Part of the fund balance is being used to establish or increase designations related to Proposition 1A, Teeter, and for future retirement exposures. The June 30, 2009 unreserved, undesignated fund balance is also being used to balance the 2009-2010 budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

Basic Financial Statements

County of Stanislaus
Statement of Net Assets
June 30, 2009

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and investments	$ 325,808,323	$ 18,002,936	$ 343,811,259
Investments with fiscal agent	110,048,433	229,864	110,278,297
Taxes receivable	39,569,893		39,569,893
Accounts receivable	55,900,376	14,373,917	70,274,293
Interest and other receivables	1,663,985	114,688	1,778,673
Deposit with others	535,000		535,000
Deferred charges	2,959,415		2,959,415
Inventory	656,702	213,851	870,553
Prepaid items	401,085	57,364	458,449
Loans to other governments	4,111,376		4,111,376
Internal balances	61,075	(61,075)	
Restricted cash and investments	4,137,513	20,831,264	24,968,777
Investments - joint ventures	16,089,078		16,089,078
Capital assets: (net of accumulated depreciation)			
Land	40,271,818	15,462,882	55,734,700
Infrastructure	274,972,149		274,972,149
Structures and improvements	146,832,062	4,068,328	150,900,390
Equipment	43,092,598	6,385,802	49,478,400
Construction in progress	4,057,865	79,441	4,137,306
Total capital assets	509,226,492	25,996,453	535,222,945
Total assets	1,071,168,746	79,759,262	1,150,928,008
LIABILITIES			
Accounts payable	25,673,631	3,344,856	29,018,487
Salaries and benefits payable	17,719,854	1,228,429	18,948,283
Interest payable	2,844,377		2,844,377
Unearned revenue	12,353,892	625,245	12,979,137
Deposits from others	10,220	28,617	38,837
Due to other governments	839,506		839,506
Payables to external parties		26,323,775	26,323,775
Estimated cost of landfill closure/postclosure		13,267,097	13,267,097
Long-term liabilities:			
Portion due or payable within one year:			
Risk management liability - current	6,510,166	161,000	6,671,166
Capital leases - current	386,234	294,383	680,617
Compensated absences - current	1,052,917	99,370	1,152,287
Long-term obligations - current	18,883,623	175,720	19,059,343
Portion due or payable after one year:			
Risk management liability	15,959,492		15,959,492
Other post-employment benefits (OPEB)	1,548,122	184,409	1,732,531
Capital leases payable	748,400	982,021	1,730,421
Compensated absences	27,904,015	1,244,862	29,148,877
Long-term obligations	250,004,067	377,416	250,381,483
Total liabilities	382,438,516	48,337,200	430,775,716
NET ASSETS			
Investment in capital assets, net of related debt	418,149,972	24,087,472	442,237,444
Restricted for:			
Capital projects	118,797,297		118,797,297
Debt service	15,154,619		15,154,619
Other purposes	55,572,266	20,831,269	76,403,535
Unrestricted (deficit)	81,056,076	(13,496,679)	67,559,397
Total net assets	$ 688,730,230	$ 31,422,062	$ 720,152,292

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 41,874,466	$ 29,188,498	$ 10,331,292	$ 1,218,163
Public protection	188,612,369	42,232,145	64,443,900	1,099,445
Public ways and facilities	53,935,268	7,689,430	419,859	21,420,165
Health and sanitation	117,806,204	30,132,125	70,891,790	172,046
Public assistance	269,101,718	4,276,140	256,375,544	
Education	14,687,440	525,221	1,554,609	247,934
Recreation	5,811,357	2,795,544	238,878	1,294,744
Interest and fiscal charges on long-term debt	15,244,566			
Total governmental activities	707,073,388	116,839,103	404,255,872	25,452,497
Business-type activities:				
Landfills	4,766,494	4,902,033	591,352	
Behavioral Health	(2,472)			
Health Clinics & Ancillary	44,109,486	40,307,063	957,507	
Inmate Welfare and Commissary	1,864,632	1,568,646	29,489	
Transit	3,588,704	363,804	1,374,383	
Total business-type activities	54,326,844	47,141,546	2,952,731	
Total Stanislaus County	$ 761,400,232	$ 163,980,649	$ 407,208,603	$ 25,452,497

General revenues:
- Taxes:
  - Property taxes
  - Property taxes in lieu vehicle license fees
  - Property taxes - unsecured
  - Sales taxes
  - Sales taxes - library
  - Sales taxes - road
  - In lieu sales tax
  - Other taxes
- Franchise fees
- Payment in lieu of taxes:
  - Open space subvention
- Unrestricted investment earnings
- Miscellaneous
- Net transfers

Total general revenues and transfers

Changes in net assets

Net assets--beginning
- Prior period adjustment

Net assets--beginning, restated

Net assets--ending

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities (Continued)
For the Fiscal Year Ended June 30, 2009

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Functions/Programs
			Primary government
			Governmental activities:
$ (1,136,513)	$ -	$ (1,136,513)	General government
(80,836,879)		(80,836,879)	Public protection
(24,405,814)		(24,405,814)	Public ways and facilities
(16,610,243)		(16,610,243)	Health and sanitation
(8,450,034)		(8,450,034)	Public assistance
(12,359,676)		(12,359,676)	Education
(1,482,191)		(1,482,191)	Recreation
(15,244,566)		(15,244,566)	Interest and fiscal charges on long-term debt
(160,525,916)		(160,525,916)	Total governmental activities
			Business-type activities:
	726,891	726,891	Landfills
	2,472	2,472	Behavioral Health
	(2,844,917)	(2,844,917)	Health Clinics & Ancillary
	(266,497)	(266,497)	Inmate Welfare and Commissary
	(1,850,516)	(1,850,516)	Transit
	(4,232,567)	(4,232,567)	Total business-type activities
$ (160,525,916)	$ (4,232,567)	$ (164,758,483)	Total Stanislaus County
			General revenues:
			Taxes:
49,527,639		49,527,639	Property taxes
51,554,401		51,554,401	Property taxes in lieu vehicle license fees
2,093,538		2,093,538	Property taxes - unsecured
13,145,008	2,781,611	15,926,619	Sales taxes
7,469,996		7,469,996	Sales taxes - library
1,225,656		1,225,656	Sales taxes - road
4,728,116		4,728,116	In lieu sales tax
2,765,178		2,765,178	Other taxes
1,175,849		1,175,849	Franchise fees
			Payment in lieu of taxes:
1,332,316		1,332,316	Open space subvention
7,448,383	673,367	8,121,750	Unrestricted investment earnings
9,734,087		9,734,087	Miscellaneous
(4,251,900)	4,251,900		Net transfers
147,948,267	7,706,878	155,655,145	Total general revenues and transfers
(12,577,649)	3,474,311	(9,103,338)	Changes in net assets
701,307,879	37,584,801	738,892,680	Net assets--beginning
	(9,637,050)	(9,637,050)	Prior period adjustment
701,307,879	27,947,751	729,255,630	Net assets--beginning, restated
$ 688,730,230	$ 31,422,062	$ 720,152,292	Net assets--ending

County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	$ 73,594,658	$ -	$ 19,208,303	$ 1,545,940	$ 86,515,110	$ 105,464,009	$ 286,328,020
Investments with fiscal agent		97,434,217				12,614,216	110,048,433
Taxes receivable	39,569,894						39,569,894
Accounts receivable	11,645,840		11,139,937	10,190,206	745,484	21,787,470	55,508,937
Interest and other receivables	310,978	781,720	53,292		216,154	216,091	1,578,235
Inventory						404,134	404,134
Due from other funds	1,575,365		337,466	332,747		867,648	3,113,226
Deposit with others	10,000						10,000
Loans to other governments	4,088,246					23,130	4,111,376
Advances to other funds	500,000						500,000
Prepaid items	257,608		20,180			97,704	375,492
Restricted cash and investments	4,137,513						4,137,513
Total assets	$ 135,690,102	$ 98,215,937	$ 30,759,178	$ 12,068,893	$ 87,476,748	$ 141,474,402	$ 505,685,260
Liabilities and fund balance							
Liabilities							-
Accounts payable	$ 2,865,938	$ -	$ 9,324,887	$ 497,055	$ -	$ 11,941,539	$ 24,629,419
Salaries and benefits payable	8,001,607		1,822,167	3,388,854		4,220,506	17,433,134
Sales tax liability						(14,401)	(14,401)
Due to other funds	1,195,150					1,857,001	3,052,151
Due to other governments				839,506			839,506
Deposits from others	10,220						10,220
Deferred revenue	1,084,416	781,721	3,911,489	6,040,558		1,422,962	13,241,146
Advances from other funds						500,000	500,000
Total liabilities	13,157,331	781,721	15,058,543	10,765,973		19,927,607	59,691,175
Fund balance:							
Reserved for:							
Encumbrances	3,347,042		158,214	639		24,569,073	28,074,968
Designated - restricted							
Designated - capital acquisition							
Advances to other funds	500,000						500,000
Long term receivables	28,944,177						28,944,177
Loans to other governments	4,088,246					24,565	4,112,811
Other	4,447,565		28,784	25,149		3,265,718	7,767,216
Capital projects						1,686,966	1,686,966
Debt service						15,191,582	15,191,582
Unreserved:							
Designated for:							
Debt service	11,779,459					122,500	11,901,959
Contingencies	36,784,828						36,784,828
Carryover appropriations							
Reported in :							
General fund	32,641,454						32,641,454
Special revenue funds		97,434,216	15,513,637	1,277,132		50,986,627	165,211,612
Capital project funds					87,476,748	25,875,479	113,352,227
Debt service funds						(175,715)	(175,715)
Total fund balance	122,532,771	97,434,216	15,700,635	1,302,920	87,476,748	121,546,795	445,994,085
Total liabilities and fund balance	$ 135,690,102	$ 98,215,937	$ 30,759,178	$ 12,068,893	$ 87,476,748	$ 141,474,402	$ 505,685,260

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Total fund balances for governmental funds (page 18)		$ 445,994,086
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 40,271,818	
Infrastructure	274,972,149	
Structures and improvements	146,028,442	
Equipment	36,102,577	
Construction in progress	4,057,865	
Total capital assets		501,432,851
Investments - joint ventures		16,089,078
Internal service funds are used by the County to charge the cost of general liability, unemployment, worker's compensation, dental, vision, & purchased insurance plus central services, fleet services, technology & communication and Morgan garage to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.		24,027,602
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are not recognized as revenue in the funds.		887,250
Costs of issuance that benefit future periods are recognized as expenditures in the funds.		2,959,415
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.		
Balances at June 30, 2009 are:		
Certificates of participation	(91,210,875)	
Bonds payable	(67,891,965)	
Tobacco securitization notes	(109,784,850)	
Capital leases	(1,116,702)	
Accrued interest on long term debt	(2,844,377)	
Other post-employment benefits (OPEB)	(1,495,451)	
Compensated absences	(28,315,832)	
Total long-term liabilities		(302,660,052)
Net assets of governmental activities (page 15)		$ 688,730,230

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	$ 116,820,601	$ -	$ -	$ -	$ -	$ 15,695,410	$ 132,516,011
Licenses, permits and franchises	2,516,989			77,241		1,768,277	4,362,507
Fines, forfeitures and penalties	15,362,829		58,918			3,318,650	18,740,397
Revenue from use of money and property	5,165,379	1,232,105	753,931	2,339	2,718,408	3,263,422	13,135,584
Intergovernmental	60,271,626		36,702,928	238,396,355		88,949,554	424,320,463
Charges for services	42,249,102		16,305,485	2,097,316	4,355,245	30,139,951	95,147,099
Miscellaneous	1,222,711		617,046	1,242,711		6,651,617	9,734,085
Donation							
Total revenues	243,609,237	1,232,105	54,438,308	241,815,962	7,073,653	149,786,881	697,956,146
EXPENDITURES:							
Current:							
General government	34,582,968					801,137	35,384,105
Public protection	146,823,148		1,111,556			39,733,966	187,668,670
Public ways and facilities	475,861					32,596,324	33,072,185
Health and sanitation	7,040,748		60,538,569			49,884,606	117,463,923
Public assistance	427,425			248,801,288		19,554,715	268,783,428
Education	420,813					12,193,807	12,614,620
Recreation and cultural services	5,384,843					8,307	5,393,150
Capital outlay					121,346	11,277,210	11,398,556
Debt service:							
Interest and fiscal charges	28,618		758	25,721		12,132,380	12,187,477
Principal	126,705		1,806	154,749		17,842,250	18,125,510
Total expenditures	195,311,129		61,652,689	248,981,758	121,346	196,024,702	702,091,624
Excess revenues over (under) expenditures	48,298,108	1,232,105	(7,214,381)	(7,165,796)	6,952,307	(46,237,821)	(4,135,478)
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	755,431		18,323	232,164			1,005,918
Transfers in	8,551,564		10,342,077	9,022,631	3,145,728	53,517,808	84,579,808
Transfers out	(58,997,839)	(3,283,640)	(724,170)	(2,112,931)	(16,403,907)	(7,048,947)	(88,571,434)
Sale of capital assets							
Total other financing sources (uses)	(49,690,844)	(3,283,640)	9,636,230	7,141,864	(13,258,179)	46,468,861	(2,985,708)
Net change in fund balances	(1,392,736)	(2,051,535)	2,421,849	(23,932)	(6,305,872)	231,040	(7,121,186)
Fund balance -- beginning	123,925,507	99,485,751	13,278,786	1,326,852	93,782,620	121,315,755	453,115,271
Cumulative effect of change in accounting principle							
Prior period adjustment							
Fund balance at beginning of year, as restated	123,925,507	99,485,751	13,278,786	1,326,852	93,782,620	121,315,755	453,115,271
Fund balances -- ending	$ 122,532,771	$ 97,434,216	$ 15,700,635	$ 1,302,920	$ 87,476,748	$ 121,546,795	$ 445,994,085

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2009

Net change in fund balances - total governmental funds (page 20)		$ (7,121,185)
The change in net assets reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets and infrastructure	$ 15,554,298	
Less current year depreciation	(35,446,263)	(19,891,965)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets		(1,587,949)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(73,274)
Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets		(1,005,917)
Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.		
Repayments:		
Certificate of participation	7,181,920	
Other long-term debt	10,660,330	
Capital lease	283,260	
Amortization of issuance premium	144,340	18,269,850
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Other post-employment benefits (OPEB)	(69,756)	
Change in investment in joint ventures	447,592	
Change in accrued interest payable	281,630	
Change in tobacco accreted interest payable	(3,036,378)	
Change in compensated absences	(1,699,286)	
Change in deferred charges	(163,424)	(4,239,622)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		3,072,413
Change in net assets of governmental activities (page 17)		$ (12,577,649)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Revenues:				
Taxes	$ 119,804,598	$ 118,399,808	$ 116,820,601	$ (1,579,207)
Licenses, permits and franchises	2,475,173	2,475,173	2,516,989	41,816
Fines, forfeitures and penalties	9,375,975	9,371,275	15,362,829	5,991,554
Revenue from use of money and property	5,796,348	5,304,835	5,165,379	(139,456)
Intergovernmental revenue	68,284,126	66,604,042	60,271,626	(6,332,416)
Charges for services	42,648,184	42,704,055	42,249,102	(454,953)
Miscellaneous revenue	1,568,345	1,564,814	1,222,711	(342,103)
Total revenues	249,952,749	246,424,002	243,609,237	(2,814,765)
Expenditures: General				
Assessor				
Salaries and employee benefits	5,330,423	5,272,790	4,925,907	346,883
Services and supplies	424,729	482,362	475,666	6,696
Other charges	259,825	259,825	244,663	15,162
Expenditure transfer	113,330	113,330	118,666	(5,336)
Total expenditures	6,128,307	6,128,307	5,764,902	363,405
Auditor-Controller				
Salaries and employee benefits	4,092,717	4,072,717	3,863,739	208,978
Services and supplies	380,241	380,241	94,491	285,750
Other charges	141,930	161,930	150,619	11,311
Expenditure transfer	(120,160)	(120,160)	(168,136)	47,976
Total expenditures	4,494,728	4,494,728	3,940,713	554,015
Board of Supervisors				
Salaries and employee benefits	855,134	853,599	778,645	74,954
Services and supplies	185,260	186,160	173,747	12,413
Other charges	28,900	29,535	25,642	3,893
Expenditure transfer	36,760	36,760	35,956	804
Total expenditures	1,106,054	1,106,054	1,013,990	92,064
Clerk of the Board				
Salaries and employee benefits	518,318	447,181	411,038	36,143
Services and supplies	47,380	61,109	40,196	20,913
Other charges	25,680	56,088	51,744	4,344
Expenditure transfer	17,730	17,730	18,575	(845)
Total expenditures	609,108	582,108	521,553	60,555
Chief Executive				
Salaries and employee benefits	5,320,817	5,320,817	4,705,757	615,060
Services and supplies	1,237,798	1,627,798	1,575,467	52,331
Other charges	222,334	222,334	165,365	56,969
Expenditure transfer	87,420	87,420	89,909	(2,489)
Total expenditures	6,868,369	7,258,369	6,536,498	721,871
Economic Development				
Salaries and employee benefits				
Services and supplies	1,971,150	1,917,030	(1,181,984)	3,099,014
Other charges	16,765	16,765	8,043	8,722
Total expenditures	1,987,915	1,933,795	(1,173,941)	3,107,736

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Purchasing Agent				
Salaries and employee benefits	527,618	523,118	457,241	65,877
Services and supplies	32,000	32,000	27,326	4,674
Other charges	24,620	29,120	20,754	8,366
Expenditure transfer	15,530	15,530	19,152	(3,622)
Total expenditures	599,768	599,768	524,473	75,295
C.A.R.E. Unit				
Salaries and employee benefits				
Services and supplies	47,276	47,276	185	47,091
Other charges	13,865	13,865	9,412	4,453
Expenditure transfer	58,340	58,340	58,353	(13)
Total expenditures	119,481	119,481	67,950	51,531
Risk Management				
Salaries and employee benefits	1,550,083	1,550,083	1,435,411	114,672
Services and supplies	121,068	121,068	88,923	32,145
Other charges	67,602	67,602	55,955	11,647
Expenditure transfer	15,850	15,850	16,951	(1,101)
Total expenditures	1,754,603	1,754,603	1,597,240	157,363
Capital Improvement Financing Authority				
Salaries and employee benefits	100,000	100,000	100,000	
Services and supplies	134,186	119,353	56,453	62,900
Other charges		14,833	14,833	
Expenditure transfer			130	(130)
Total expenditures	234,186	234,186	171,416	62,770
Plant Acquisition				
Salaries and employee benefits	44,504	44,504	37,926	6,578
Services and supplies	1,754,752	2,320,718	1,351,023	969,695
Other charges	202,140	197,140	144,030	53,110
Expenditure transfer	89,065			
Fixed assets	950,034	391,919	(538,115)	930,034
Total expenditures	3,040,495	2,954,281	994,864	1,959,417
Appropriations for Contingencies				
Appropriations for contingencies	8,537,899	5,671,569		5,671,569
Total expenditures	8,537,899	5,671,569		5,671,569
County Facilities				
Salaries and employee benefits				
Services and supplies	737,811	478,787	96,485	382,302
Other charges	5,250	24,274	5,718	18,556
Expenditure transfer		240,000	193,464	46,536
Total expenditures	743,061	743,061	295,667	447,394

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Elections Division				
Salaries and employee benefits	1,145,422	1,189,422	1,031,664	157,758
Services and supplies	1,483,978	1,749,787	1,196,247	553,540
Other charges	49,350	79,544	63,926	15,618
Expenditure transfer	154,907	154,907	133,708	21,199
Total expenditures	2,833,657	3,173,660	2,425,545	748,115
County Counsel				
Salaries and employee benefits	2,240,371	2,240,371	1,910,463	329,908
Services and supplies	480,103	462,103	132,619	329,484
Other charges	67,185	67,185	60,559	6,626
Expenditure transfer	49,940	67,940	51,878	16,062
Total expenditures	2,837,599	2,837,599	2,155,519	682,080
Treasurer and Tax Collector				
Salaries and employee benefits	1,157,840	1,157,840	991,055	166,785
Services and supplies	162,489	157,489	115,034	42,455
Other charges	125,565	130,565	125,502	5,063
Expenditure transfer	176,392	176,392	86,791	89,601
Total expenditures	1,622,286	1,622,286	1,318,382	303,904
Revenue Recovery				
Salaries and employee benefits	1,228,733	1,228,733	1,073,944	154,789
Services and supplies	126,675	126,675	87,580	39,095
Other charges	261,560	261,560	198,924	62,636
Expenditure transfer	(661,917)	(661,917)	(530,883)	(131,034)
Fixed assets	12,500	12,500	3,159	9,341
Total expenditures	967,551	967,551	832,724	134,827
CEO Match - Other Agencies				
Other charges	1,753,479	1,753,479	1,005,768	747,711
Total expenditures	1,753,479	1,753,479	1,005,768	747,711
Treasury				
Salaries and employee benefits	293,860	293,860	252,358	41,502
Services and supplies	183,274	173,274	142,644	30,630
Other charges	16,860	26,860	21,380	5,480
Expenditure transfer	197,775	197,775	195,740	2,035
Total expenditures	691,769	691,769	612,122	79,647
Facility Maintenance				
Salaries and employee benefits	3,700,815	3,534,878	3,453,608	81,270
Services and supplies	5,282,233	5,735,916	5,409,891	326,025
Other charges	403,661	228,468	195,342	33,126
Expenditure transfer	(5,332,245)	(5,356,793)	(5,346,699)	(10,094)
Total expenditures	4,054,464	4,142,469	3,712,142	430,327

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
CEO - Econ Development Bank				
Salaries and employee benefits				
Services and supplies	38,470	38,470	(1)	38,471
Other charges	9,752	9,752	(9,752)	19,504
Total expenditures	48,222	48,222	(9,753)	57,975
General Services Agency				
Salaries and employee benefits	526,125	516,322	501,052	15,270
Services and supplies	3,865	8,390	8,080	310
Other charges	13,880	19,158	16,799	2,359
Expenditure transfer	150	150	4	146
Total expenditures	544,020	544,020	525,935	18,085
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	3,264,429	3,196,794	3,100,526	96,268
Services and supplies	384,950	460,387	412,663	47,724
Other charges	213,050	213,050	187,517	25,533
Expenditure transfer	238,430	240,930	232,627	8,303
Fixed assets	225,009	235,009	136,172	98,837
Total expenditures	4,325,868	4,346,170	4,069,505	276,665
Animal Services				
Salaries and employee benefits	2,437,077	2,387,077	2,315,356	71,721
Services and supplies	423,474	483,474	422,834	60,640
Other charges	296,350	272,460	183,177	89,283
Expenditure transfer	31,440	31,440	31,970	(530)
Fixed assets		102,104	102,102	2
Total expenditures	3,188,341	3,276,555	3,055,439	221,116
Office of Emergency Services				
Salaries and employee benefits	891,648	917,193	843,885	73,308
Services and supplies	212,913	270,491	149,345	121,146
Other charges	743,659	741,576	624,887	116,689
Expenditure transfer	66,983	80,894	80,488	406
Fixed assets	22,746	183,796	138,168	45,628
Total expenditures	1,937,949	2,193,950	1,836,773	357,177
County Court Funding				
Salaries and employee benefits				
Services and supplies	182,846	168,846	112,750	56,096
Other charges	5,821,595	6,021,595	5,984,848	36,747
Expenditure transfer	1,213,310	1,013,310	836,408	176,902
Fixed assets		14,000	12,516	1,484
Total expenditures	7,217,751	7,217,751	6,946,522	271,229
Recorder Division				
Salaries and employee benefits	1,446,051	1,446,051	1,327,417	118,634
Services and supplies	211,472	151,472	52,917	98,555
Other charges	228,110	228,110	185,115	42,995
Expenditure transfer	202,090	202,090	200,483	1,607
Total expenditures	2,087,723	2,027,723	1,765,932	261,791

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
District Attorney				
Salaries and employee benefits	13,158,828	13,234,384	12,769,470	464,914
Services and supplies	484,094	802,266	771,859	30,407
Other charges	570,727	547,774	517,393	30,381
Expenditure transfer	328,003	355,104	399,624	(44,520)
Fixed assets		109,470	78,379	31,091
Total expenditures	14,541,652	15,048,998	14,536,725	512,273
Planning				
Salaries and employee benefits	1,642,629	1,642,629	1,264,176	378,453
Services and supplies	90,315	90,315	46,346	43,969
Other charges	60,919	60,919	49,454	11,465
Expenditure transfer	36,700	36,700	38,557	(1,857)
Total expenditures	1,830,563	1,830,563	1,398,533	432,030
Probation				
Salaries and employee benefits	1,610,092	1,670,092	1,620,600	49,492
Services and supplies	624,663	564,663	233,721	330,942
Other charges	589,803	377,047	203,958	173,089
Expenditure transfer	1,000	1,000	440	560
Fixed assets	33,073	33,073	30,789	2,284
Total expenditures	2,858,631	2,645,875	2,089,508	556,367
Probation - Casework				
Salaries and employee benefits	10,108,395	10,073,431	9,337,031	736,400
Services and supplies	672,061	641,093	406,928	234,165
Other charges	309,770	309,770	278,396	31,374
Expenditure transfer	288,610	373,938	382,124	(8,186)
Fixed assets	236,791	236,791	15,575	221,216
Total expenditures	11,615,627	11,635,023	10,420,054	1,214,969
Probation - Institutions				
Salaries and employee benefits	7,317,504	7,317,504	6,923,588	393,916
Services and supplies	926,750	949,754	923,599	26,155
Other charges	195,260	195,260	154,026	41,234
Expenditure transfer	555,370	532,366	418,885	113,481
Fixed assets	83,395	83,395	(56)	83,451
Total expenditures	9,078,279	9,078,279	8,420,042	658,237
Public Defender				
Salaries and employee benefits	5,485,843	5,519,382	5,363,640	155,742
Services and supplies	308,000	297,429	297,428	1
Other charges	202,840	176,643	176,635	8
Expenditure transfer	298,220	310,648	310,647	1
Total expenditures	6,294,903	6,304,102	6,148,350	155,752
Indigent Defense				
Salaries and employee benefits				
Services and supplies	3,000,042	3,388,343	3,388,193	150
Total expenditures	3,000,042	3,388,343	3,388,193	150

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
Sheriff's Administration				
Salaries and employee benefits	4,261,329	4,259,686	3,882,471	377,215
Services and supplies	726,334	735,078	536,614	198,464
Other charges	311,550	296,570	220,945	75,625
Expenditure transfer	104,450	112,329	113,940	(1,611)
Fixed assets	19,006	64,044	45,038	19,006
Total expenditures	5,422,669	5,467,707	4,799,008	668,699
Sheriff's Operations				
Salaries and employee benefits	24,353,762	24,532,913	23,417,515	1,115,398
Services and supplies	3,205,976	3,129,830	2,828,494	301,336
Other charges	4,158,653	4,597,555	4,002,079	595,476
Expenditure transfer	(358,006)	(406,940)	(582,939)	175,999
Fixed assets	938,963	1,616,179	1,091,362	524,817
Total expenditures	32,299,348	33,469,537	30,756,511	2,713,026
Sheriff's Detention				
Salaries and employee benefits	27,418,650	27,294,248	25,322,024	1,972,224
Services and supplies	4,428,080	4,212,867	3,705,120	507,747
Other charges	1,544,624	1,215,153	912,746	302,407
Expenditure transfer	2,365,331	2,274,829	2,190,522	84,307
Fixed assets	451,116	501,567	82,790	418,777
Total expenditures	36,207,801	35,498,664	32,213,202	3,285,462
Court Security				
Salaries and employee benefits	4,279,719	4,274,719	3,483,649	791,070
Services and supplies	13,000	18,000	13,240	4,760
Other charges	11,920	15,920	14,617	1,303
Expenditure transfer	99,135	95,135	101,004	(5,869)
Total expenditures	4,403,774	4,403,774	3,612,510	791,264
Sheriff's Contract Cities				
Salaries and employee benefits	7,450,740	7,565,740	6,808,279	757,461
Services and supplies	298,588	294,173	210,721	83,452
Other charges	1,443,108	1,443,108	1,193,489	249,619
Expenditure transfer		1,736	151,509	(149,773)
Fixed assets	87,000	145,682	143,114	2,568
Total expenditures	9,279,436	9,450,439	8,507,112	943,327
Grand Jury				
Salaries and employee benefits	38,856	42,406	41,246	1,160
Services and supplies	48,698	45,148	26,445	18,703
Other charges	5,840	5,840	3,956	1,884
Expenditure transfer	29,225	29,225	28,192	1,033
Total expenditures	122,619	122,619	99,839	22,780
CEO Ray Simon Training Center				
Salaries and employee benefits	1,201,380	1,312,470	1,261,661	50,809
Services and supplies	553,760	534,668	348,113	186,555
Other charges	36,400	28,510	27,384	1,126
Expenditure transfer	282,829	276,234	170,804	105,430
Fixed assets	20,000	14,496	14,496	
Total expenditures	2,094,369	2,166,378	1,822,458	343,920

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Ways and Facilities				
Airport				
Services and supplies	198,420	200,920	198,420	2,500
Total expenditures	198,420	200,920	198,420	2,500
CEO Crows Landing Air Facility				
Salaries and employee benefits				
Services and supplies	800,180	1,118,289	443,343	674,946
Other charges		20,000	2,282	17,718
Expenditure transfer			2,051	(2,051)
Total expenditures	800,180	1,138,289	447,676	690,613
Expenditures: Health and Sanitation				
CEO Jail Medical				
Services and supplies	7,196,290	7,196,290	7,051,226	145,064
Total expenditures	7,196,290	7,196,290	7,051,226	145,064
Expenditures: Public Assistance				
Veteran's Services				
Salaries and employee benefits	346,241	347,441	339,150	8,291
Services and supplies	27,883	27,883	22,273	5,610
Other charges	14,840	16,740	16,701	39
Expenditure transfer	22,870	19,770	13,437	6,333
Total expenditures	411,834	411,834	391,561	20,273
Board of Supervisors - Community Support				
Services and supplies	43,650	39,830	37,380	2,450
Total expenditures	43,650	39,830	37,380	2,450
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	316,517	316,517	302,538	13,979
Services and supplies	20,879	20,879	8,380	12,499
Other charges	45,950	45,950	27,992	17,958
Expenditure transfer	86,310	86,310	82,158	4,152
Total expenditures	469,656	469,656	421,068	48,588
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	2,590,309	2,590,309	2,543,511	46,798
Services and supplies	1,347,973	1,421,410	1,271,457	149,953
Other charges	708,388	739,568	725,809	13,759
Expenditure transfer	497,700	515,700	512,577	3,123
Fixed assets	308,752	308,752	(593)	309,345
Total expenditures	5,453,122	5,575,739	5,052,761	522,978

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Recreation and Cultural Services				
Parks - Master Plan				
Services and supplies	427,621	427,621	40,000	387,621
Total expenditures	427,621	427,621	40,000	387,621
Tuolumne River Regional Park				
Services and supplies	224,832	224,832	224,832	
Total expenditures	224,832	224,832	224,832	
Expenditures: Debt Service				
Debt Service				
Expenditure transfer	(680,166)	(680,166)	(680,166)	
Total expenditures	(680,166)	(680,166)	(680,166)	
Total Expenditures - General Fund	223,929,805	223,938,660	191,904,683	32,033,977
Excess of revenue over expenditures	26,022,944	22,485,342	51,704,554	29,219,212
Other financing sources (uses):				
Capital lease proceeds		755,431	755,431	
Transfers in	7,362,612	8,388,764	8,551,564	162,800
Transfers out	(55,652,304)	(58,015,791)	(60,778,817)	(2,763,026)
Total other financing sources (uses)	(48,289,692)	(48,871,596)	(51,471,822)	(2,600,226)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(22,266,748)	(26,386,254)	232,732	26,618,986
Fund balance -- beginning	(52,441,585)	(64,032,615)	124,932,875	188,965,490
Fund balance -- ending	$ (74,708,333)	$ (90,418,869)	$ 125,165,607	$ 215,584,476

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Behavioral Health and Recovery - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Fines, forfeitures, and penalties	$ 78,000	$ 78,000	$ 58,918	$ (19,082)
Revenue from use of money and property	377,021	377,021	753,931	376,910
Intergovernmental revenue	39,303,676	39,930,739	36,702,928	(3,227,811)
Charges for services	19,075,078	17,694,690	16,305,485	(1,389,205)
Miscellaneous revenue	1,945,085	1,945,110	617,046	(1,328,064)
Total revenues	60,778,860	60,025,560	54,438,308	(5,587,252)
Expenditures				
Public Protection				
Salaries and employee benefits	648,250	740,420	722,636	17,784
Services and supplies	97,734	90,734	57,110	33,624
Other charges	176,490	175,490	174,674	816
Expenditure transfer	171,557	171,557	152,683	18,874
Total Public Protection	1,094,031	1,178,201	1,107,103	71,098
Health and Sanitation				
Salaries and employee benefits	36,690,465	36,227,166	31,520,023	4,707,143
Services and supplies	29,154,260	30,074,019	25,193,138	4,880,881
Other charges	5,864,792	5,966,927	3,746,645	2,220,282
Fixed assets		18,323	18,323	
Expenditure transfer	(171,557)	(171,557)	(152,683)	(18,874)
Total Health and Sanitation	71,537,960	72,114,878	60,325,446	11,789,432
Total expenditures	72,631,991	73,293,079	61,432,549	11,860,530
Excess (deficiency) of revenues over (under) expenditures	(11,853,131)	(13,267,519)	(6,994,241)	6,273,278
Other financing sources (uses)				
Transfers in	9,025,333	10,876,460	10,342,077	(534,383)
Transfers out	(25,000)	(25,000)	(724,170)	(699,170)
Capital lease proceeds		18,323	18,323	
Total other financing sources (uses)	9,000,333	10,869,783	9,636,230	(1,233,553)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,852,798)	(2,397,736)	2,641,989	5,039,725
Fund balance - beginning	13,597,225	13,597,225	13,597,225	
Fund balance - ending	$ 10,744,427	$ 11,199,489	$ 16,239,214	$ 5,039,725

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Community Services Agency - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amount	
	Original Budget	Final Budget	on the Budgetary Basis	Variance with Final Budget
Revenues				
Licenses, permits and franchises	$ 78,653	$ 78,653	$ 77,241	$ (1,412)
Revenue from use of money and property			2,339	2,339
Intergovernmental revenue	236,447,129	247,607,341	238,396,355	(9,210,986)
Charges for services	2,012,155	2,017,457	2,097,316	79,859
Miscellaneous revenue	914,633	988,736	1,242,711	253,975
Total revenues	239,452,570	250,692,187	241,815,962	(8,876,225)
Expenditures				
Public Assistance				
Salaries and employee benefits	67,470,625	66,455,624	63,297,726	3,157,898
Services and supplies	18,855,192	18,791,716	16,266,812	2,524,904
Other charges	160,971,565	175,056,901	168,930,533	6,126,368
Fixed assets	257,775	453,470	322,123	131,347
Total expenditures	247,555,157	260,757,711	248,817,194	11,940,517
Excess (deficiency) of revenues over (under) expenditures	(8,102,587)	(10,065,524)	(7,001,232)	3,064,292
Other financing sources (uses)				
Transfers in	9,331,424	10,090,049	9,022,631	(1,067,418)
Transfers out	(1,878,953)	(2,362,310)	(2,112,931)	249,379
Capital lease proceeds		232,164	232,164	
Total other financing sources (uses)	7,452,471	7,959,903	7,141,864	(818,039)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(650,116)	(2,105,621)	140,632	2,246,253
Fund balance - beginning	963,097	963,097	963,097	
Fund balance - ending	$ 312,981	$ (1,142,524)	$ 1,103,729	$ 2,246,253

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
ASSETS:						
Current Assets:						
Cash and investments	$ 11,600,762	$ 416,329	$ 2,262,713	$ 2,339,561	$ 16,619,365	$ 40,863,875
Accounts receivable, net	512,138		12,491,336	1,442,139	14,445,613	391,438
Interest and other receivables	30,623	1,245		7,985	39,853	88,878
Inventory			195,311	18,540	213,851	252,572
Deposit with others						525,000
Due from other funds			32,369		32,369	
Prepaid items			57,364		57,364	25,593
Total current assets	12,143,523	417,574	15,039,093	3,808,225	31,408,415	42,147,356
Noncurrent assets:						
Deferred charges						
Investments with fiscal agent	69,527		160,337		229,864	
Restricted cash and investments	17,609,510	3,221,754			20,831,264	
Capital assets:						
Land	13,556,621	1,906,261			15,462,882	
Structures and improvements	3,785,755		12,358,747	296,172	16,440,674	1,002,508
Equipment	2,120,529		6,431,992	4,888,819	13,441,340	23,726,656
Less: Accumulated depreciation	(2,481,272)		(15,450,131)	(1,417,039)	(19,348,442)	(16,935,523)
Net capital assets	16,981,633	1,906,261	3,340,608	3,767,952	25,996,454	7,793,641
Total noncurrent assets	34,660,670	5,128,015	3,500,945	3,767,952	47,057,582	7,793,641
Total assets	46,804,193	5,545,589	18,540,038	7,576,177	78,465,997	49,940,997
LIABILITIES:						
Current liabilities:						
Accounts payable	230,355	137,087	2,615,504	353,571	3,336,517	1,066,941
Due to other governments						
Salaries and benefits payable	71,243		1,096,610	60,577	1,228,430	286,718
Deferred revenues			625,245		625,245	
Due to other funds			93,444		93,444	
Interfund payable						
Deposits from others	28,617				28,617	
Interfund note payable - current			1,280,301		1,280,301	
Risk management liability - current						6,671,166
Capital leases - current			288,657	5,727	294,384	3,629
Compensated absences - current	3,577		95,793		99,370	95,459
Long-term obligations - current			175,720		175,720	
Total current liabilities	333,792	137,087	6,271,274	419,875	7,162,028	8,123,913
Noncurrent liabilities						
Estimated cost of landfill closure/postclosure	6,142,493	7,124,604			13,267,097	
Advances from other funds						
Interfund note payable			25,043,474		25,043,474	
Risk management liability						15,959,492
Capital leases payable			968,372	13,649	982,021	14,303
Other post-emplymnt benefits (OPEB)	17,422		159,302	7,685	184,409	52,671
Compensated absences	160,335		1,033,113	51,414	1,244,862	545,639
Long term obligations			377,416		377,416	
Total noncurrent liabilities	6,320,250	7,124,604	27,581,677	72,748	41,099,279	16,572,105
Total liabilities	6,654,042	7,261,691	33,852,951	492,623	48,261,307	24,696,018
NET ASSETS (DEFICIT):						
Invested in capital assets, net of related debt	16,981,633	1,906,261	1,530,443	3,748,576	24,166,913	7,775,709
Restricted	17,609,510	3,221,754			20,831,264	
Unrestricted	5,559,008	(6,844,117)	(16,843,356)	3,334,978	(14,793,487)	17,469,270
Total net assets (deficit)	$ 40,150,151	$ (1,716,102)	$ (15,312,913)	$ 7,083,554	$ 30,204,690	$ 25,244,979
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,217,372	
Net assets of business type activities					$ 31,422,062	

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	$ 4,902,033	$	$ 38,905,843	$ 1,932,450	$ 45,740,326	$ 74,538,385
Intergovernmental revenue						
Miscellaneous						
Total operating revenues	4,902,033		38,905,843	1,932,450	45,740,326	74,538,385
Operating expenses:						
Salaries and benefits	1,295,572		18,131,293	1,082,867	20,509,732	5,235,216
Services and supplies	2,463,844		24,183,138	4,026,116	30,673,098	66,460,137
Depreciation	544,277		400,601	341,884	1,286,762	1,467,219
Estimated cost of closure/postclosure	462,799				462,799	
Total operating expenses	4,766,492		42,715,032	5,450,867	52,932,391	73,162,572
Operating income (loss)	135,541		(3,809,189)	(3,518,417)	(7,192,065)	1,375,813
Nonoperating revenues (expenses)						
Investment income	993,084	102,828	107,773	47,472	1,251,157	1,142,865
Interest expense			(626,268)		(626,268)	(713)
Gain (loss) on sale of capital assets		(7,653)	(115,590)	(1,770)	(125,013)	(5,656)
Intergovernmental			957,507	4,155,994	5,113,501	1,621,472
Total nonoperating revenues (expenses)	993,084	95,175	323,422	4,201,696	5,613,377	2,757,968
Income (loss) before capital contributions and transfers	1,128,625	95,175	(3,485,767)	683,279	(1,578,688)	4,133,781
Transfers in	1,363	450,000	7,888,260		8,339,623	55,958
Transfers out	(477,453)		(297,998)	(2,312,273)	(3,087,724)	(1,316,232)
Capital contributions						
Changes in net assets	652,535	545,175	4,104,495	(1,628,994)	3,673,211	2,873,507
Total net assets (deficit) - beginning	39,497,616	(2,261,277)	(9,780,358)	8,712,548		22,371,472
Total net assets (deficit) - beginning - restated			(9,637,050)			
	39,497,616	(2,261,277)	(19,417,408)	8,712,548		22,371,472
Total net assets (deficit) - ending	$ 40,150,151	$ (1,716,102)	$ (15,312,913)	$ 7,083,554		$ 25,244,979
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(198,903)	
Change in net assets of business type activities					$ 3,474,308	

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers and users	$ 5,331,099	$	$ 22,560,180	$ 923,273	$ 28,814,552	$
Cash received (paid) from interfund services		16,058	11,806,701		11,822,759	74,285,521
Cash paid to suppliers	(2,411,935)	(631,117)	(17,042,313)	(4,044,710)	(24,130,075)	(67,914,497)
Cash paid for interfund services			(6,407,196)		(6,407,196)	
Cash paid to employees	(1,304,221)		(18,287,916)	(1,058,452)	(20,650,589)	(5,128,029)
Net cash provided (used) by operating activities	1,614,943	(615,059)	(7,370,544)	(4,179,889)	(10,550,549)	1,242,995
Cash flows from noncapital financing activities:						
Transfers in	1,363	450,000	7,888,260		8,339,623	55,958
Interfund borrowing			9,637,050		9,637,050	
Payment on interfund note payable			(1,503,828)		(1,503,828)	
Prior year payment for residency program			(9,486,770)		(9,486,770)	
Deferred revenues			614,871		614,871	
Subsidy from state and federal grant			957,507	4,155,994	5,113,501	1,621,472
Transfers out	(477,453)		(297,998)	(2,312,273)	(3,087,724)	(1,316,230)
Net cash provided (used) by noncapital financing activities	(476,090)	450,000	7,809,092	1,843,721	9,626,723	361,200
Cash flows from capital and related financing activities:						
Sale of capital assets	(304,125)				(304,125)	38,924
Purchase of capital assets			(1,375,271)	(1,437,890)	(2,813,161)	(2,272,033)
Proceeds from loan			1,257,029		1,257,029	
Principal payment - capital leases				(5,394)	(5,394)	17,933
Principal payment - long term debt			(168,080)		(168,080)	
Interest income			107,774		107,774	
Interest paid			(626,268)		(626,268)	(713)
Net cash (used) by capital and related financing activities	(304,125)		(804,816)	(1,443,284)	(2,552,225)	(2,215,889)
Cash flows from investing activities:						
Interest received	980,973	102,828		47,472	1,131,273	1,142,865
Net cash provided by investing activities	980,973	102,828		47,472	1,131,273	1,142,865
Net increase (decrease) in cash and cash equivalents	1,815,701	(62,231)	(366,268)	(3,731,980)	(2,344,778)	531,171
Cash and equivalents - beginning	27,394,571	3,700,314	2,789,318	6,071,541	39,955,744	40,332,704
Cash and equivalents - ending	$ 29,210,272	$ 3,638,083	$ 2,423,050	$ 2,339,561	$ 37,610,966	$ 40,863,875
Reconciliation of cash and cash equivalents to the Statement of Net Assets						
Cash and investments	$ 11,600,762	$ 416,329	$2,262,713	$ 2,339,561	$ 16,619,365	$ 40,863,875
Restricted cash and investments	17,609,510	3,221,754	160,337		20,991,601	
Total cash and cash equivalents	$ 29,210,272	$ 3,638,083	$ 2,423,050	$ 2,339,561	$ 37,610,966	$ 40,863,875

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 135,541	$	$ (3,809,109)	$ (3,518,415)	$ (7,191,983)	$ 1,375,811
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	544,277		400,601	341,884	1,286,762	1,467,219
(Increase) decrease in accounts receivable	314,273		(5,584,707)	(1,045,142)	(6,315,576)	(347,043)
(Increase) decrease in other receivables	114,793	16,058	1,011,227	34,130	1,176,208	97,995
(Increase) decrease in inventory			41,518	1,835	43,353	(24,953)
(Increase) decrease in prepaid items			(43,473)		(43,473)	(25,593)
(Increase) decrease in due from other funds			34,522		34,522	
Increase (decrease) in accounts payable and accrued liabilities	51,909	79,839	1,191,742	(18,595)	1,304,895	(349,085)
Increase (decrease) in salaries and benefits payable	4,510		82,913	12,535	99,958	27,521
Increase (decrease) in liability for compensated absences	(8,471)		(12,221)	8,134	(12,558)	88,327
Increase (decrease) in other post-employment benefits (OPEB)	(4,688)		(77,038)	3,745	(77,981)	(8,659)
Increase (decrease) in due to other funds/governments			(456,157)		(456,157)	(48,511)
Increase (decrease) in residency program			(150,362)			
Increase (decrease) in deposits from others					--	46,730
Increase (decrease) in estimated cost of closure/postclosure	462,799	(710,956)			(248,157)	
Increase (decrease) in risk management liability						(1,056,764)
Net cash provided (used) by operating activities	$ 1,614,943	$ (615,059)	$ (7,370,544)	$ (4,179,889)	$ (10,400,187)	$ 1,242,995

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Employees' Retirement Trust	Investment Trust	Agency Funds	Total
ASSETS				
Cash and investments	$ 67,167,274	$ 626,578,185	$ 5,698,613	$ 699,444,072
Accounts receivable (net of allowance for uncollectables)		10,114,034		10,114,034
Interest and dividends	4,847,110			4,847,110
Securities transactions	16,148,665			16,148,665
Contributions	2,865,698			2,865,698
Other receivable	5,220	1,800,051	37	1,805,308
Interfund note receivable		26,323,775		26,323,775
Other assets	3,857,958	4,055,647		7,913,605
Investments:				
Bonds	335,970,593			335,970,593
Stocks	659,559,976			659,559,976
Collateral on loaned securities	190,693,978			190,693,978
Total assets	1,281,116,472	668,871,692	5,698,650	1,955,686,814
LIABILITIES				
Accounts payable	222,587,382	22,372,098	1,274,281	246,233,761
Salaries and benefits payable		(5,478,834)		(5,478,834)
Grant deed extension fee	420,000			420,000
Trust obligations		4,543,387	4,424,369	8,967,756
Deferred revenue		2,442,232		2,442,232
Total liabilites	223,007,382	23,878,883	5,698,650	252,584,915
NET ASSETS				
Net assets held in trust for pension benefits/investment pool participants	$ 1,058,109,090	$ 644,992,809	$	$ 1,703,101,899

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	Employees' Retirement Trust	Investment Trust
Additions:		
Contributions:		
Employer contributions	$ 23,410,965	$ -
Member contributions	20,922,893	
Contributions on pooled investments		3,254,237,757
Total contributions	44,333,858	3,254,237,757
Investment income:		
Net appreciation in fair value	(257,259,055)	
Interest	39,095,062	21,071,366
Dividends	2,931,390	
Miscellaneous income	150,533	
Less investment expense	(5,949,327)	
Net investment loss	(221,031,397)	21,071,366
Total additions	(176,697,539)	3,275,309,123
Deductions:		
Benefit payments	71,861,210	
Refunds of prior contributions	2,537,978	
Distributions from pooled investments		3,349,315,191
Administrative expense	2,080,130	
Total deductions	76,479,318	3,349,315,191
Change in net assets	(253,176,857)	(74,006,068)
Net assets held in trust - beginning	1,311,285,947	718,998,877
Net assets held in trust - ending	$ 1,058,109,090	$ 644,992,809

The accompanying notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to Generally Accepted Accounting Principles (GAAP) and have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The accounting methods and procedures adopted by the County conform to GAAP as applied to governmental entities. These financial statements present the government and its component units, legally separate entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30th year-end.

Blended Component Units

1. Redevelopment Agency of the County of Stanislaus ("Agency"): The Agency was established by the County as a separate legal entity in accordance with state law. It is governed by the five members of the County Board of Supervisors. The purpose of the Agency is to acquire, rehabilitate, and revitalize property within legally designated redevelopment areas. The Agency provides service solely to the County and is reported as a capital projects fund.

2. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.

3. Lighting Districts: The County has 27 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budget and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.

4. Stanislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern it. Its purpose is to acquire from the County all of the rights of the County future tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the California County Tobacco Securitization Agency (See Note 16). The Corporation provides service solely to the County and is reported as a debt service fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

5. In-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. It is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.

B. **Basis of Presentation**

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net assets, all internal balances have been eliminated except those representing the net balance due between governmental and business type activities. This residual balance is reported as "internal balances." In the statement of activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation services.

- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.

- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- *Public Facility Fees Fund* was established by the Board of Supervisors' adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid waste. Revenues are derived from fees generated for the disposal of waste at the site.

- The *Geer Road Sanitary Landfill Fund* was established to account for the operation of Geer Road Sanitary Landfill, which provided a dumping site for the disposal of solid waste. The landfill was closed in July 1990 and is jointly owned with the City of Modesto.

- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – worker's compensation, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

- The *Employees' Retirement Trust* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees' Retirement Association (StanCERA).

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.

C. **Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Basis of Accounting** (continued)

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,* to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund's principal operations. The operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for those same funds include the cost of sales and services, administrative expenses, depreciation and the estimated cost of closure/postclosure for the landfills. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. **Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital project funds for the life of the project, except for the Redevelopment Agency, the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year. A budget is not adopted for the Public Facility Fees Capital project fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any transfers of appropriations between object

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Budgetary Basis of Accounting** (continued)

levels within the same budget unit may be authorized by the County Executive Office. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as "expenditure transfers". This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

		Special Revenue Funds	
	General Fund	Behavioral Health and Recovery	Community Services Agency
Total expenditures (budgetary basis)	$ 191,904,683	$ 61,432,549	$ 248,817,194
Basis difference - net addition of 2007/08 encumbrances and commitments minus 2008/09 encumbrances and commitments	3,406,446	220,140	164,564
Total Expenditures (GAAP)	$ 195,311,129	$ 61,652,689	$ 248,981,758

E. **Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as "Investments with Fiscal Agent" represent loan proceeds held by the trustees for various borrowings (See Note 11) and securitized tobacco settlement proceeds invested outside the County Pool.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Cash and Cash Equivalents** (continued)

or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily deposit balance with all remaining interest deposited in the General Fund.

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisors on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the Retirement System's Board. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

G. **Deferred Revenue**

The County reports deferred revenue on its financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of deferred revenue is removed from the financial statements and revenue is recognized.

Note 1: **Summary of Significant Accounting Policies** (continued)

H. **Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource (See Note 13).

I. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

J. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines capital assets, other than infrastructure, as assets with an initial, individual cost equal to or greater than $5,000 and an estimated useful life in excess of one year, with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as assets with an initial, individual cost equal to or greater than $1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of patrol cars and landfill cell development. The units of production method is used for depreciation on patrol cars and landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years
Patrol cars	100,000 miles
Landfill cell	1,960,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for eight hours sick leave each month of employment with limited accumulation.

After at least six months of County service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as "compensated absences." A 10-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

L. **Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available financial resources.

Services or supplies provided can result, at year-end, in receivables and payables referred to as "due to/from other funds." These receivables and payables are eliminated in the governmental-wide consolidation with residual balances reported as "internal balances" when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund

Note 1: **Summary of Significant Accounting Policies** (continued)

L. **Interfund Transactions** (continued)

transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

M. **Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. **Implementation of Governmental Accounting Standards Board (GASB) Statements**

For fiscal year-end June 30, 2008, the County has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension* and GASB Statement No. 50, *Conforming Changes for Pension Disclosures.*

Note 2: **Restatement of Equity**

The beginning fund balance of the Health Services Agency Clinic and Ancillary Services (HSA Cl & Anc) enterprise fund has been restated to reflect prior year Graduate Medical Education (GME) Federal funding repayment.

	HSA Cl & Anc
Fund balance June 30, 2008, as previously reported	$ (9,780,358)
Prior period adjustment due to overstatement of revenue	(9,637,050)
Fund balance July 1, 2008, as restated	$ (19,417,408)

Note 3: **Individual Fund Deficits**

Net Asset Deficits - Proprietary Funds

Enterprise Fund - Geer Road Landfill	$ 1,716,102
Enterprise Fund - Health Clinics & Ancillary Services	15,312,913
Debt Service Fund - Pension Obligation Bonds	245,485

The deficit in the Geer Road Landfill is due to the liability for closure/post closure maintenance. This accumulated deficit will be funded with receipts from Fink Road Landfill. The Health Clinics and Ancillary Services Fund deficit is due to the closure of the

Note 3: **Individual Fund Deficits** (continued)

County hospital inpatient facilities in November 1997 and the rising cost of health care. The plan to recover this deficit focuses on transfers from other funds, increased fees for service, and increased reimbursement from the Federal government as a Federally Qualified Health Center Look-Alike.

The Debt Service Fund deficit is due to lowered salary expectations. This deficit will be funded by increased rates.

Note 4: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ended June 30, 2009, no expenditures exceeded budget at the department and object level.

Note 5: **Cash and Investments**

The County maintains a cash and investment pool - Stanislaus County Treasurer's Pool - for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net assets/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of their cash and investments are managed separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County unless otherwise directed by law or the County Board of Supervisors. The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code section 53600 et. seq. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

Note 5: **Cash and Investments** (continued)

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	$ 99,783
Cash in banks-department administered	641,753
In custody of Treasurer:	
Cash on hand	199,730
Cash in bank	31,913,867
Investments held by Treasurer	1,030,566,922
Less outstanding checks	(54,111,959)
Total in custody of Treasurer	1,008,568,560
Investments held by fiscal agents:	
Tobacco settlement	97,434,217
Tobacco funding corporation	4,775,335
General fund	
Stock investment	69,527
Bond requirements	7,999,218
Total investments held by agents	110,278,297
Employees' retirement trust:	
Cash (outside Treasurer's pool)	58,914,013
Investments	1,186,224,547
Total cash and investments	$ 2,364,726,952

Total County cash & investments are reported as follows:

Primary government	
Cash and investments	$ 343,811,259
Investments with fiscal agent	110,278,297
Restricted cash & investments	24,968,777
Employees' retirement trust	
Cash and investments	67,167,274
Other investments	1,186,224,547
Investment trust - cash and investments	626,578,185
Agency funds - cash and investments	5,698,613
Total cash and investments	$ 2,364,726,952

Note 5: **Cash and Investments** (continued)

Interest Rate Risk - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's $1.0 billion portfolio, over 69% of the investments have a maturity of one year or less. No investment has maturity greater than four years.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 25 years that are sensitive to interest rate changes. These bonds are all insured, which tends to reduce interest rate risk.

- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Barclay Aggregate bond index duration. At year end the Barclay Aggregate Bond Index was yielding 4.14% with an effective duration of 4.30 years. StanCERA had a yield of 5.23% with an effective duration of 3.51 years.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured, triple A rated Municipal bonds that make up 47% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.

StanCERA's Investment Portfolio. Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as BBB rated or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

Note 5: **Cash and Investments** (continued)

Credit Risk (continued)

StanCERA's Investment Portfolio (continued)

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2009.

Credit Rating	Active Management	Fixed Income Securties Amount
AAA	38.43%	$ 129,108,689
AA+	0.38%	1,275,825
AA-	4.57%	15,338,367
A+	2.87%	9,654,275
A	9.69%	32,563,012
A-	3.93%	13,214,295
BBB+	4.14%	13,918,282
BBB	9.38%	31,523,982
BBB-	5.68%	19,084,836
BB+	0.23%	787,241
BB	1.19%	4,002,127
B	0.62%	2,074,750
B-	1.16%	3,887,350
CCC+	2.92%	9,821,274
CCC	2.39%	8,031,625
C	0.39%	1,322,442
N/R	5.69%	19,129,537
N/A	6.34%	21,232,684
	100.00%	$ 335,970,593

Custodial Credit Risk-deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), our depository banks, i.e., Bank of the West, Union Bank of California, and US Bank collateralize Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with the third party custodians. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.

- *StanCERA's Investment Portfolio.* At year end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

Note 5: **Cash and Investments** (continued)

Custodial Credit Risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.

- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

  As of June 30, 2009, StanCERA had securities on loan with a carrying value of $192,440,167 and cash collateral of $190,693,978, with non-cash collateral of $235,035. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

Foreign Currency Risk – This is the risk that changes in exchange rates may adversely affect the fair value of an investment.

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

  The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2009 was $206,580,513, distributed as follows:

Currency	*Fair Vaue (in US $)*	*Currency*	*Fair Vaue (in US $)*
Australian Dollar	$ 9,937,267	New Taiwan Dollar	$ 3,910,561
British Pound Sterling	35,045,386	Norwegian Krone	1,938,260
Canadian Dollar	8,144,604	Singapore Dollar	2,990,055
Danish Krone	1,834,900	South African Rand	1,578,997
Euro Currency	48,015,233	South Korean Won	2,729,597
Hong Kong Dollar	9,187,908	Swedish Krona	2,450,116
Japanese Yen	37,795,145	Swiss Franc	13,507,657
Mexican Nuevo Peso	985,645	US Dollar	26,529,182

Note 5: **Cash and Investments** (continued)

Foreign Currency Risk (continued)

Concentration of Credit Risk - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 52% of the County's investments, including collateral on repurchase agreements, were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

Federal Home Loan Bank	*16.69%*
Federal Home Loan Mortgage Corporation	*12.80%*
Federal National Mortgage Association	*12.72%*
Federal Farm Credit Bank	*10.11%*

  Of the 48% of the portfolio invested in other types of investments, no investment in a single issuer exceeds 5%.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipals bonds that comprise 83% of the portfolio.

- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, may be held in the common stock of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the Retirement Association's consultant, without special permission from the StanCERA Board.

  With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

  At June 30, 2009, StanCERA had the following investments:

Fixed Income Securities	
U S Treasuries	$ 21,232,693
Single Family Mortgage Backed Securities	110,417,623
Multi Family Mortgage Backed Securities	8,970,163
Collateralized Mortgage Backed Securities	12,121,536
Federal Agency	16,094,927
Asset Backed	2,626,993
Corporate Bonds	164,506,658
	$ 335,970,593
Equities	
Domestic	$ 392,103,699
International	218,776,191
Mutual Funds	48,680,087
Collateral on Loaned Securities	$ 190,693,977
Total Investments	$1,186,224,547

Note 5: **Cash and Investments** (continued)

Foreign Currency Risk (continued)

StanCERA's Investment Portfolio (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2009. The credit ratings listed are for the lower of Standard and Poor's or Moody's Investor Services. Certain investments such as U.S. Treasuries and the State's Local Agency Investment Fund are un-rated.

Stanislaus County Investments
Maturity Distribution - Fair Value (000's)
6/30/2009

		Maturity								
	Credit Rating	< 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	3 - 4 Years	Total
Commercial Paper	A1+	14,995	9,998	29,985						54,978
Bankers Acceptance	A		28,970	29,945						58,915
Managed Funds - LAIF	Unrated	[illegible]								40,000
FFCB Coupon	Aaa						77,860	26,297		104,157
FHLB Coupon	Aaa				75,945		26,063			102,008
FNMA Coupon	Aaa						26,219			26,219
FRED Coupon	Aaa					25,743	26,193			51,936
FHLB Discount	Aaa	34,988	14,998	9,989	9,986					69,961
FNMA Discount	Aaa		9,996		94,862					104,858
FRED Discount	Aaa	19,993		9,989	49,889					79,871
Treasury Coupon Securities	AAA						25,585			25,585
Treasury Discount Securities	AAA	44,998	34,914		79,808	39,891				199,611
Medium Term Notes	A						40,202	51,633	20,200	112,035
Total Treasury Pool Investments		154,974	98,876	79,908	310,490	65,634	222,122	77,930	20,200	1,030,134
Money Market Funds	Unrated	56								56
FNMA Note	Unrated				4,719					4,719
Total Tobacco Funding Corp Investments		56	0	0	4,719	0	0	0	0	4,775

		Maturity								
	Credit Rating	< 30 Days	31 - 360 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years	Total
Money Market Funds	Unrated	31,512								31,512
Mutual Funds	Unrated	20,235								20,235
Muncipal Bonds - Insured	AAA				1,210	5,256	18,513	9,025	10,018	44,022
Muncipal Bonds - Insured	Aaa							1,667		1,667
Total Tobacco Settlement Investments		51,747	0	0	1,210	5,256	18,513	10,692	10,018	97,436
Money Market/Mutual Funds	Unrated	6,207								6,207
Investment Agreements	Unrated					1,792				1,792
Total Bond Requirements		6,207	0	0	0	1,792	0	0	0	7,999

In accordance with GASB No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 90 days to maturity in the following categories:

U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Corporate Bonds and Notes

Note 5: **Cash and Investments** (continued)

Amortized cost was used for all investments having 90 days or less to maturity, which may include the following categories:

Commercial Paper
State of California Local Agency Investment Fund
U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Repurchase Agreements
Corporate Bonds and Notes
Money Market Funds

Book cost was used for collateralized Certificates of Deposit purchased from state and nationally chartered banks.

During the fiscal year the County Treasurer's Pool included investments in negotiable Certificates of Deposit as well a those investments owned at June 30, 2009.

The Stanislaus County Treasurer's Pool maintains some investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2009 was $25.2 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2009 was $50.7 billion. No amount was invested in any derivative financial products. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 235 days as of June 30, 2009.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar for dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

Note 5: **Cash and Investments** (continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool at June 30, 2009:

Statement of Net Assets	
Net assets held for pool participants	$ 1,008,568,560
Equity of external pool participants	$ 640,530,060
Equity of internal pool participants	368,038,500
Total Equity	$ 1,008,568,560

Statement of Changes in Net Assets	
Net assets at July 1, 2008	$ 1,074,498,142
Net investment income	35,592,729
Net contributions and withdrawls	(101,522,311)
Net assets at July 1, 2009	$ 1,008,568,560

Stanislaus County Treasurer's Pool
Summary of Investments
6/30/2009
(dollar amounts in thousands)

	Fair Value	Dollar Cost	Interest Rate Range		Maturity Range	
Commercial Paper	$ 54,977	$ 54,918	0.23%	0.69%	07/20/09	09/17/09
Bankers Acceptances	58,915	58,766	0.75%	1.00%	08/05/09	09/22/09
Managed Funds - LAIF	40,000	40,000	1.26%	1.26%	07/01/09	07/01/09
Federal Agency Coupon Securities	284,319	274,971	3.07%	4.78%	10/16/09	08/25/11
Federal Agency Discount Securities	254,690	253,728	0.14%	2.67%	07/07/09	12/01/09
Treasury Coupon Securities	25,585	24,982	2.75%	2.75%	07/31/10	07/31/10
Treasury Discount Securities	199,611	198,357	0.06%	2.21%	07/02/09	04/08/10
Medium Term Notes	112,035	110,816	1.63%	3.00%	12/23/10	06/22/12
Total	$ 1,030.132	$ 1,016,538				

Note 6: **Interfund Transactions**

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2009 are as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 1,575,365	To cover deficit cash balance
		1,575,365	Sub total
Behavioral Health & Recovery	General Fund	337,466	State realignment
Community Services Agency	General Fund	64,732	State realignment
Community Services Agency	Other Governmental Funds	268,015	To cover deficit cash balance
Other Governmental Funds	General Fund	761,234	State realignment
Other Governmental Funds	Other Governmental Funds	12,970	For services provided
Other Governmental Funds	Health Clinics and Ancillary Services	93,444	For services provided
Health Clinics and Ancillary Services	General Fund	31,718	State realignment
Health Clinics and Ancillary Services	Other Governmental Funds	651	For services provided
		1,570,230	Sub total
		$ 3,145,595	Total

Advances To/From

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 500,000	Long term loan
		$ 500,000	

The General Fund has loaned the Redevelopment Agency $400,000 for administrative costs that will be recovered through property taxes. The General Fund has loaned the Public Works department $100,000 for dangerous building abatement.

Interfund Note Payable/Receivable

Receivable Fund	Payable Fund	Amount
Investment Trust Fund	Health Clinics and Ancillary Services	$ 16,613,717
Investment Trust Fund	Health Clinics and Ancillary Services	$ 9,710,058
		$ 26,323,775

In fiscal year 2003-2004 the Health Clinics and Ancillary Services Fund borrowed monies from the Investment Trust Fund. The note is expected to be repaid with interest by July 2020. The interest will be credited each fiscal year end based on the Treasurer's pool rate. Annual transfers from the County's General Fund to the Health Services Agency will be the source of funds to retire the note.

The Health Clinics and Ancillary Services Fund borrowed a second long-term loan from the Investment Trust Fund. The second note was established in fiscal year 2008-2009 to cover repayment of the Graduate Medical Education (GME) Federal funding. The note is also fund-

Note 6: **Interfund Transactions** (continued)

ing the County's share of Residency Program costs for fiscal years 2008-2009 and 2009-2010. The note is expected to be repaid with interest by July 2026.

Based on the Treasurer's Pool rate, interest will be credited at the end of each fiscal year for both notes. The notes will be retired through annual transfers from the County's General Fund.

Transfer from	Transfer to	Amount	Purpose
General Fund	Community Services Agency	$ 9,022,631	County program contributions
	Behavioral Health and Recovery	8,057,329	County program contributions
	Other Governmental Funds	34,982,421	County program contributions and debt service
	Health Clinics and Ancillary Services	6,935,458	County program contribution
		58,997,839	
Tobacco Settlement	General Fund	3,283,640	Interest distribution
		3,283,640	
Behavioral Health and Recovery	Other Governmental Funds	724,170	Contributions to joint programs
		724,170	
Community Services Agency	Other Governmental Funds	2,112,931	Contributions to programs and debt service
		2,112,931	
Public Facility Fees	General Fund	2,840,956	Capital assets purchases
	Other Governmental Funds	12,616,631	Capital assets purchases
	Health Clinics and Ancillary Services	946,320	Capital assets purchases
		16,403,907	
Other Governmental Funds	General Fund	1,384,715	Various contributions to programs
	Public Facility Fees	3,145,728	Return of contributions
	Other Governmental Funds	2,510,659	Various contributions to programs and debt service
	Health Clinics and Ancillary Services	6,482	Various contributions to programs
	Fink Road Landfill	1,363	Contributions to programs
		7,048,947	
Health Clinics and Ancillary Services	Other Governmental Funds	297,998	To pay debt service
		297,998	
Other Enterprise Funds	Behavioral Health and Recovery	2,283,673	Reimburse administrative costs of programs
	Other Governmental Funds	28,600	To pay debt service
		2,312,273	
Fink Landfill	Geer Landfill	450,000	Landfill closure/post-closure
	Other Governmental Funds	27,453	To pay debt service
		477,453	
Internal Service Funds	General Fund	1,042,253	Insurance reimbursement
	Behavioral Health and Recovery	1,075	Insurance reimbursement
	Other Governmental Funds	216,944	Cost of malpractice insurance and debt service
	Internal Service Funds	55,958	Insurance reimbursement
		1,316,230	
		$ 92,975,389	

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2009
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 40,002,942	$ 288,494	$ (19,618)	$ -	$ 40,271,818
Construction in progress	39,243,480	2,258,873		(37,444,488)	4,057,865
Total capital assets, not being depreciated	79,246,422	2,547,367	(19,618)	(37,444,488)	44,329,683
Capital assets, being depreciated:					
Infrastructure	978,791,126	2,337,620	(145,021,071)		836,107,675
Structures and improvements	169,138,585	3,199,763	(494,959)	37,403,503	209,246,892
Equipment	84,886,639	9,741,579	(5,883,366)	1,086,240	89,831,092
Total capital assets, being depreciated	1,232,816,350	15,278,962	(151,399,396)	38,489,743	1,135,185,659
Less accumulated depreciation for:					
Infrastructure	(681,626,563)	(24,530,034)	145,021,071		(561,135,526)
Structures and improvements	(57,486,956)	(5,105,833)	177,959		(62,414,830)
Equipment	(43,003,076)	(7,277,614)	4,465,119	(922,923)	(46,738,494)
Total accumulated depreciation	(782,116,595)	(36,913,481)	149,664,149	(922,923)	(670,288,850)
Total capital assets, being depreciated, net	450,699,755	(21,634,519)	(1,735,247)	37,566,820	464,896,809
Government activities capital assets, net	$ 529,946,177	$ (19,087,152)	$ (1,754,865)	$ 122,332	$ 509,226,492
Business-type Activities					
Capital assets, not being depreciated:					
Land	$ 15,462,882	$ -	$ -	$ -	$ 15,462,882
Construction in progress		79,441			79,441
Total capital assets, not being depreciated	15,462,882	79,441			15,542,323
Capital assets, being depreciated:					
Structures and improvements	16,112,393			248,840	16,361,233
Equipment	10,876,112	2,955,953	(378,747)	(11,978)	13,441,340
Total capital assets, being depreciated	26,988,505	2,955,953	(378,747)	236,862	29,802,573
Less accumulated depreciation for:					
Structures and improvements	(11,441,695)	(555,558)		(295,651)	(12,292,904)
Equipment	(6,718,748)	(731,204)	367,549	26,865	(7,055,538)
Total accumulated depreciation	(18,160,443)	(1,286,762)	367,549	(268,786)	(19,348,442)
Total capital assets, being depreciated, net	8,828,062	1,669,191	(11,198)	(31,924)	10,454,131
Business-type activities capital assets, net	$ 24,290,944	$ 1,748,632	$ (11,198)	$ (31,924)	$ 25,996,453

Note 7: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	Equipment	Structures and Improvements	Infrastructure	Total
General government	$ 615,973	$ 1,155,937	$ -	$ 1,771,910
Public protection	2,352,046	2,485,348		4,837,394
Public ways	2,561	51,563	24,530,034	24,584,158
Health and sanitation	374,893	139,823		514,716
Public assistance	251,986	649,927		901,913
Education	2,069,860	207,047		2,276,907
Recreation	168,434	390,831		559,265
Internal service funds	1,441,862	25,356		1,467,218
Total	$ 7,277,615	$ 5,105,832	$ 24,530,034	$ 36,913,481

Depreciation expense was charged to the business-type functions as follows:

	Equipment	Structures and Improvements	Total
Transit	$ 315,347	$ -	$ 315,347
Fink Road Landfill	136,096	408,181	544,277
Geer Road Landfill			
Behavioral Health Center			
Health Clinics and Ancillary Services	260,211	140,390	400,601
Inmate Welfare/Commissary	19,550	6,987	26,537
	$ 731,204	$ 555,558	$ 1,286,762

Note 8: **Receivables**

Accounts receivable, net of allowance for uncollectibles, includes receivables from federal, state, and local governments in the net amount of $32,904,306. Patient accounts receivable at Health Clinics and Ancillary Services of $15,288,147 net of an allowance for uncollectibles of $2,796,811, leaves a net receivable of $12,491,336. Substantially all other receivables are deemed collectible.

At June 30, 2009, deferred revenue and unearned revenue were reported as follows:

Governmental Activities:	Unavailable	Unearned
General fund:		
Property taxes receivable	$ 75,562	
Accounts receivable	8,940	
Interest receivable	21,031	
Advanced deposits for animal services		$ 1,743
Advanced deposits for sheriff services		
Grant drawdowns prior to meeting all eligibility requirements		977,140
Behavioral Health and Recovery		
Grant drawdowns prior to meeting all eligibility requirements		3,911,489
Tobacco Settlement		
Interest receivable	781,721	
Community Services Agency:		
Grant drawdowns prior to meeting all eligibility requirements		6,040,558
Nonmajor funds:		
Grant drawdowns prior to meeting all eligibility requirements		1,422,962
	$ 887,254	$ 12,353,892

Note 9: **Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975/76 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for the 2008/2009 fiscal year is $40,424,458,781.

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to the County's General Fund. In addition, Sections 4703 and 4703.2 of the California Revenue and Taxation Code require that a property tax loss reserve fund be maintained at 1% of the total of all taxes and assessments levied on the secured roll for that year for participating entities in the County, or 25% of the total delinquent secured taxes. For the 2008-2009 tax year, the Revenue and Taxation Code 4703 methodology of 1% was elected by Board resolution.

Taxes receivable in the General Fund includes $29 million long term property tax receivable resulting from the Teeter method of distribution. This long term receivable as well as another $11 million expected to be collected next fiscal year have already been credited to other governments. These property tax receivables will be collected from the taxpayers.

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This period was 60 days from the end of the fiscal year. Property taxes receivable that do not meet the "available" criteria are recorded as deferred revenue.

Note 10: **Leases**

Operating Leases

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated $3,434,062 for all fund types for the year ended June 30, 2009. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2009.

Year Ending June 30,		
2010	$	3,045,003
2011		2,571,295
2012		2,196,810
2013		1,713,085
2014		1,371,078
2015-2016		1,288,400
Total Minimum Lease Payments	$	12,185,671

The Stanislaus Waste Energy Company (SWEC) has a lease agreement with the County to lease the 16-acre site on which the waste energy facility was built. The lease term is 35 years and contains a 15-year option to renew at the lessee's (SWEC) option. The County purchased the land in 1974 for $6,161.

The County also has an agreement with the Stanislaus County Office of Education to lease 15,000 square feet of Building #1 at the County Center III site for the purpose of a print shop. The term is six years with a mutual option to renew.

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2009.

Year Ending June 30,		
2010	$	326,700
2011		198,000
2012		198,000
2013		198.000
2014		198,000
2015-2019		990,000
2020-2021		396,000
Total minimum lease revenue	$	2,504,700

Note 10: **Leases** (continued)

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2009
Governmental activities:		
Building	0.00-7.24%	$ 79,102
Equipment	0.00-7.24%	1,055,532
		1,134,634
Business-type activities:		
Equipment	0.00-7.24%	1,276,404
		1,276,404
Total capital lease obligations		$ 2,411,038

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2010	$ 445,264	$ 6,733
2011	399,022	6,733
2012	234,587	6,733
2013	134,264	1,123
2014	39,402	
Total Minimum Lease Payments	1,252,539	21,322
Less: Amounts Representing Interest	(117,904)	(1,946)
Present Value of Minimum Lease Payments	1,134,635	19,376
Less: Current Portion of Capital Leases	(386,234)	(5,727)
Long-term Capital Lease Obligation	$ 748,401	$ 13,649

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities	Business-type Activities
Building	$ 105,128	$ -
Equipment	1,562,650	1,143,566
Less: accumulated depreciation	(396,886)	(90,570)
Net value	$1,270,892	$ 1,052,996

Note 11: Long-Term Debt

A. Summary of Long-Term Debt

The following is a summary of long-term liability transactions for the year ended June 30, 2009:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
Governmental Activities:					
Risk management liability	$ 23,403,422	$ 6,799,670	$ (7,733,434)	$ 22,469,658	$ 6,898,620
Certificates of participation	97,123,784		(7,181,920)	89,941,864	7,444,280
Plus issuance premium	1,413,354		(144,343)	1,269,011	144,343
Bonds payable	70,660,000		(8,145,000)	62,515,000	8,730,000
RDA loans	5,577,295		(200,330)	5,376,965	204,680
Tobacco securitization note	103,083,611		(2,350,000)	100,733,611	2,565,000
Accreted interest tobacco note	5,979,861	3,036,378		9,016,239	
Capital lease payable	394,045	1,025,862	(285,273)	1,134,634	386,234
Compensated absences	27,169,321	16,485,430	(14,697,818)	28,956,933	1,043,866
Total Governmental Activities	$ 334,804,693	$ 27,347,340	$ (40,738,118)	$ 321,413,915	$ 27,417,023
Business-type Activities:					
Risk management liability	$ 284,000	$ 161,000	$ (284,000)	$ 161,000	$ 161,000
Certificates of participation	721,216		(168,080)	553,136	175,720
Compensated absences	1,356,791	776,101	(788,659)	1,344,233	99,370
Capital lease payable	24,770	1,257,028	(5,394)	1,276,404	294,384
Total Business-Type Activities	$ 2,386,777	$ 2,194,129	$ (1,246,133)	$ 3,334,773	$ 730,474

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $641,099 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2009, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities			
	Bonds Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2010	$ 8,934,680	$ 4,083,596	$ 7,444,280	$ 3,772,418
2011	9,579,165	3,443,272	7,721,640	3,483,976
2012	10,258,789	2,755,592	8,010,944	3,183,698
2013	10,998,556	2,017,680	6,945,000	2,870,338
2014	11,793,472	1,224,148	7,205,000	2,606,300
2015-2019	3,087,303	3,682,961	34,130,000	7,622,855
2020-2024	2,920,000	2,979,103	12,640,000	2,660,569
2025-2029	3,255,000	2,189,944	5,845,000	258,453
2030-2034	3,625,000	1,305,049		
2035-2039	2,760,000	394,423		
2040-2042	680,000	43,817		
Totals	$ 67,891,965	$ 24,119,585	$ 89,941,864	$ 26,458,607

Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
2010	$ 2,565,000	$ 3,301,338		
2011	2,795,000	3,156,181		
2012	3,285,000	2,998,881		
2013	3,555,000	2,821,231		
2014	3,835,000	2,625,569		
2015-2019	25,160,000	9,493,656		
2020-2024	17,385,000	1,802,670		$ 26,566,799
2025-2029			20,965,835	41,459,309
2030-2034			2,827,546	45,605,692
2035-2039			9,446,325	49,467,982
2040-2044				54,201,054
2045			8,913,905	8,830,260
Totals	$ 58,580,000	$ 26,199,526	$ 42,153,611	$ 226,131,096

The above Tobacco Securitization Note amortization schedule assumes that the turbo payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2009, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30	Business-type Activities Certificates of Participation Principal	Interest
2010	$ 175,720	$ 27,481
2011	183,360	18,871
2012	194,056	9,703
Totals	$ 553,136	$ 56,055

B. **Long Term Obligations**

A summary of certificates of participation at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2009
Governmental activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 9,105,056	$ 3,756,864
1998 Series A	3.75-4.75	3/1/1998	9/1/2018	22,160,000	13,875,000
2004 Series A	1.63-4.38	3/26/2004	9/1/2025	15,371,663	13,575,000
2004 Series B	1.63-4.38	3/26/2004	9/1/2025	27,511,451	24,290,000
2007 Series A Refunding	3.65-5.75	2/1/2007	5/1/2018	42,081,614	34,445,000
Total governmental activities				116,229,784	89,941,864
Business-type activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	1,524,944	553,136
Total business-type activities				1,524,944	553,136
Total				$ 117,754,728	$ 90,495,000

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2009
Tobacco Securitization Note	5.5-7.5	3/21/2002	6/1/2043	$ 67,305,000	$ 58,580,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	51,169,850
Total				$ 109,458,611	$ 109,749,850

Note 11: **Long-Term Debt** (continued)

B. **Long Term Obligations** (continued)

A summary of bonds payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2009
1995 Pension Obligation Bonds	7.15	9/25/1995	8/15/2013	$ 108,970,000	$ 48,070,000
RDA State Water Resources Board Loan	3.1	9/13/1995	12/12/2015	2,646,310	1,111,965
RDA 2005 TAB	3.5-5.42	12/20/2005	8/1/2036	15,615,000	14,445,000
RDA USDA Loan	4.25	8/21/2003	8/1/2041	4,525,000	4,265,000
Total				$ 131,756,310	$ 67,891,965

Purpose for County Borrowings

1997 Series B Refunding	Purchase medical arts building and construct jail kitchen laundry
1998 Series A	Construct a portion of government building with the City of Modesto
2004 Series A	Construction of Gallo Center for the Arts
2004 Series B	Construction of 12th Street office building and parking garage
2007 Series A Refunding	Construct Public Safety Center and Community Services building
1995 Pension Obligation Bonds	Pay StanCERA for unfunded actuarial accrued liability
RDA State Water Resources Board	To build Bret Harte sewer collection and transfer system
RDA 2005 TAB	To pay for Keyes storm drain project
RDA USDA Loan	To pay for Salida storm drain project
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

C. **Tobacco Settlement Asset-Backed Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2002 Tobacco Settlement Asset-Backed Bonds and the second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

The California County Tobacco Securitization Agency (the Agency) issued bonds and loaned the proceeds to a nonprofit corporation formed by the County called the Stanislaus County Tobacco Funding Corporation (the Corporation) which, in turn paid the proceeds to the County. The bonds are limited obligations of the Agency payable solely from payments made by the Corporation from tobacco settlement revenues purchased from the County.

Note 11: **Long-Term Debt** (continued)

C. **Tobacco Settlement Asset-Backed Bonds** (continued)

In April 2002, the Agency issued the Tobacco Settlement Asset-Backed Bonds on behalf of the Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was $67,305,000 and the expected maturity dates were from June 1, 2019 - 2043. The bonds' interest rates range from 5.5% to 7.5%.

In April 2006 the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of $42,153,611 and the expected maturity dates were from June 1, 2046 - 2055. The bonds' interest rates range from 5.75% to 7.25%.

D. **Arbitrage**

Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year no calculations were performed. At June 30, 2009, the County has no outstanding liability for arbitrage.

Note 12: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

Note 12: **Solid Waste Landfill Closure and Postclosure Care Costs** (continued)

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2009	$20,624,220	$ 7,124,604	$27,748,824
Liability recognized as of June 30, 2009	$ 6,142,493	$ 7,124,604	$13,267,096
Landfill capacity used to date	29.78%	100%	
Estimated remaining useful life	24 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Landfill	$17,609,510
Geer Road Landfill	$ 3,221,754

Note 13: **Net Assets/Fund Balances**

Net Assets

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are as follows:

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

Note 13: **Net Assets/Fund Balances** (continued)

Net Assets (continued)

As of June 30, 2009, the County had the following restrictions to net assets:

		Governmental Activities	Business-type Activities
Restricted for:			
Capital projects		$ 118,797,297	$ -
Debt service		$ 15,154,619	
Other purposes:			
6016, 6017	Landfill closure/post-closure		20,831,264
	Children & families commission	19,229,731	
	Road construction	13,682,196	
	Tax loss reserve	3,830,980	
	Child support service	1,477,568	
	Public assistance	308,437	
	Public health	1,708,554	
	Environmental resources	1,152,252	
	Lighting & storm drain districts/County service areas	1,828,836	
	Clerk-recorder - capital assets	5,420,023	
	Planning grants	1,141,968	
	Other	5,791,720	
Subtotal other purposes		55,572,265	20,831,264
Total Restricted Net Assets		$ 189,524,181	$ 20,831,264
Amount of total restricted by enabling legislation		$ 52,064	$ -

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and can be increased, reduced or eliminated by similar actions.

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The Board will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans. Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

Note 13: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

As of June 30, 2009, the County has reserved or designated fund balances as follows:

Reserved for Encumbrances: This represents that portion of fund balance reserved for encumbrances existing at year end which will result in subsequent year expenditures.

Reserved-Advances to Other Funds: This represents the portion of fund balance reserved for loans to other funds that are not expected to be repaid in the short-term.

Reserved-Long Term Receivables: This represents the portion of fund balance related to delinquent property taxes due from the taxpayers not expected to be collected in the short term.

Reserved-Loans to Other Governments: This represents the portion of fund balance reserved for loans to other governments that are not expected to be repaid in the short-term.

Reserved-Other: This represents that portion of fund balance unavailable for appropriation for the following reasons:

	General Fund	Behavioral Health & Recovery	Community Services Agency	Nonmajor Governmental Funds
Deposits with others	$ 10,000	$ -	$ -	$ -
Inventory				404,134
Imprest cash	42,445	8,601	25,149	13,880
Prepaid items	257,608	20,183		97,704
Clerk/Recorder projects				2,750,000
Tax loss reserve	4,137,512			
Total	$ 4,447,565	$ 28,784	$ 25,149	$ 3,265,718

Reserved for Capital projects: This represents the portion of fund balance held by trustees for major capital projects.

Reserved for Debt Service: This represents that portion of borrowings which are held in reserve accounts by trustees and that portion of borrowings held in interest reserve accounts for interest payments.

Designated for Debt Service: This represents that portion of available fund balance segregated to meet future principal and interest payments on debt.

Designated for Contingencies: This represents that portion of available fund balances set aside for emergency and unforeseen expenditures.

Note 14: **Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has a risk management program with respect to workers' compensation, general and professional liability, unemployment, vision, dental care and purchased insurance. Under its existing workers' compensation insurance plan, the County is responsible for $500,000 per occurrence, with a commercial insurance company providing certain liability coverage for up to $5,000,000. The general liability insurance covers property damage, personal injury, auto, and public officials' errors and omissions. General liability, auto, and public officials' errors and omissions ($25,000 deductible) are the County's responsibility for up to $250,000 per occurrence, with the excess insured by the CSAC Excess Insurance Authority for up to $9,750,000. Property damage is insured by a commercial carrier for $549,708 with a $10,000 deductible. Unemployment, vision care, and dental insurance are the responsibility of the County. Limited exposure precludes the need for outside coverage.

The Health Services Agency Clinics and Ancillary Services, and the Behavioral Health and Recovery Department participate in the medical malpractice program administered by the CEO Risk Management Division. Under this program, the County has a self-insured retention of $500,000 per occurrence and pays all defense costs. The County also carries excess insurance coverage up to $10,000,000 per claim.

There was no reduction in insurance coverage from the prior year. There were no settlements in excess of insurance coverage for each of the past three fiscal years.

The estimation of claims liability depends on many factors such as inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is done each year to update the estimated claims liabilities. These liabilities include incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	2007/2008	2008/2009
Unpaid claims as of July 1	$ 23,216,297	$ 23,687,422
Incurred claims (including IBNRs)	10,289,340	9,428,642
Claim payments	(9,818,215)	(10,485,406)
Unpaid claims as of June 30	$ 23,687,422	$ 22,630,658

Note 14: **Risk Management** (continued)

The County is a defendant in several legal actions. In the opinion of County Counsel, it is probable the potential liability for these matters could exceed the County's general liability self-insurance retention of $250,000. Any excess over $250,000 would be covered by excess insurance coverage explained above.

In addition, the County is a defendant in a number of other lawsuits or proceedings arising in the normal course of its activities where the ultimate outcome cannot be predicted with certainty. Management does not expect that these matters will have a material adverse effect on the financial position or changes in the financial position of the County.

Note 15: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2009, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Note 16: **Joint Ventures**

Stanislaus Waste-to-Energy Financing Agency

Stanislaus Waste-to-Energy Financing Agency (Agency) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a commission consisting of two members of the City council and two members of the County's Board of Supervisors. The agreement provides that the City and the County shall pay for costs associated with the operation of the Agency and are entitled to all rights and property of the Agency equally.

On May 1, 1990, the Agency issued Certificates of Participation to refinance a bond issued through California Pollution Control Financing Authority. And on February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. The outstanding debt balance is zero as of June 30, 2009. Financial statements for the Agency are produced biannually and are available from the County of Stanislaus.

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). The governing body consists of two members from each city council and the County Board of Supervisors.

Note 16: **Joint Ventures** (continued)

Tuolumne River Regional Park (continued)

The TRRP Board prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of the Park based on the percentage of cumulative contributions paid. As of June 30, 2009, the County's equity interest was $2,624,645. For the fiscal year ending June 30, 2009, the County contributed $224,832 to TRRP. Financial statements for TRRP are prepared by the City of Modesto Finance Department and are available from them.

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff for Stanislaus County and the chief of police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population and assessed property value. The County's contribution to the SDEA for fiscal year 2009 was $103,698. Upon termination of the agreement, assets will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (Agency) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The Agency prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the Agency which percentages shall be reviewed and approved in connection with the project and annual budgets of the Agency. As of June 30, 2009, the County's equity interest in the Agency was $13,464,433 and is reported as Investments-joint ventures in the government-wide statement of net assets.

The County was the Agency's fiscal administrator during the construction phase of the City-County Administration Center, finalized at the end of June 2003. Since then, the City has been the fiscal administrator. Financial statements of the Agency will be available from the City after the initial audit of the Agency's books has been completed.

Note 16: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency

In November 1998, the Attorneys General of 46 states (including California) and various other public entities (collectively, the "Settling States") and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein ("participating jurisdictions") entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

The California County Tobacco Securitization Agency (Agency) is a Joint Powers Agency created in accordance with Chapter 5 of Division 7 of Title I of the Government Code of the State of California, dated as on November 15, 2000 by and among the County of Stanislaus, the County of Merced, the County of Sonoma, the County of Kern, and as of May 31, 2002, to include the County of Marin, the County of Placer, and the County of Fresno. The County of Alameda was added on August 15, 2002, and the County of Los Angeles was added on January 24, 2006. It is governed by a Board of Commissioners who are designees of the Board of Supervisors of each member County.

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of its purpose, the Agency has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the Agency for the purpose of issuing bonds in the principal amount of $67,305,000 to acquire the County's rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for $52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the Agency to borrow the proceeds of the $42,153,611 agency 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received $40,971,290.

The financial statements of the Agency are produced annually and are available from the County of Merced, Lydia Beiswanger, Chief Clerk-Board of Supervisors, 2222 M Street, Merced, CA 95340.

Note 16: **Joint Ventures** (continued)

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus Consolidated Emergency Dispatch Agency (the "Agency") was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The Agency is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch Advisory Board, and one member from the City of Ceres' City Council. The purpose of the Agency is to consolidate the public safety communications system. The responsibilities of the County and the City include approval of the annual budget, claims, liabilities, and the use of Agency property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanislaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California, 95357.

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the City of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2009, the County paid $51,317 to YCCD under this agreement.

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add 35 counties to the current C-IV Joint Powers Authority (JPA). The benefits of adding these counties creates opportunities to expand and improve the current C-IV system along with lowering each counties share of costs.

Note 16: **Joint Ventures** (continued)

California Statewide Automated Welfare System Consortium IV (continued)

The Authority was originally governed and administered by a Board of Directors consisting of four Directors. The Directors are the Merced County Director of the Human Services Agency, the Riverside County Director of the Department of Public Social Services, the San Bernardino County Assistant County Administrator for Social Services, and the Stanislaus County Director of the Community Services Agency. With the addition of 35 counties three new directors will be added.

Stanislaus County's C-IV costs for Fiscal Year 2008-2009 were $317,902. Financial Statements may be obtained by writing to the County of San Bernardino, County Administrative Officer, 385 North Arrowhead Avenue 5th Floor, San Bernardino, CA 92415.

North County Corridor Transportation Expressway Authority

On April 1, 2008, the Board of Supervisors approved the establishment of a Joint Powers Authority (Authority) between the County and the cities of Modesto, Oakdale and Riverbank to create the North County Corridor Transportation Expressway. The purpose of the Authority is to prepare, identify, and adopt a precise alignment, and prepare and certify environmental documents for a route to improve east/west traffic circulation in the County. The intent of the North County Corridor is to provide a high capacity high speed east-west roadway to accommodate anticipated traffic growth, alleviate traffic on parallel roads, and to accommodate multi-modal travel. Under the terms of the agreement, the County will incur 40% of the costs of the project while each of the participating cities will be contributing 20%. The majority of project costs will be funded by State Transportation Program and Public Facility Fees. The exact cost of the project will not be known until after the completion of the Project Study Report. The Authority Board of Directors will be comprised of two directors appointed by the County, and one director from each participating city. The board acts autonomously from the respective member agencies. The County of Stanislaus Public Works Director is designated as the Authority's manager. Upon completion of the agreement, all assets will be distributed to the respective parties of the agreement as determined by the Board of the Authority. Financial statements, when available, may be obtained from the Stanislaus County Public Works Department 1010 10th Street, Suite 3500, Modesto, CA 95354.

Note 17: **Employees' Retirement Plan**

The County is a major participant in the Stanislaus County Employees' Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, death benefits and health and welfare insurance for certain retirees and

Note 17: **Employees' Retirement Plan** (continued)

their dependents. The plan is administered by the Stanislaus County Employees' Retirement Association. One actuarial valuation is performed for the system as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County that are not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees' Retirement Association, P. O. Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported sales price at current exchange rates. No investment in any single asset represents more than 5% of the net assets available for pension benefits.

StanCERA has five tiers of retirement benefits, all or some of which are offered to General and Safety members, respectively. The benefits known as Tier 1, Tier 2, Tier 4, and Tier 5 vest after five years of credited service, while the benefit known as Tier 3 vests after 10 years of credited service. Vested General members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 or more years of membership with StanCERA or at any age with 30 or more years of credited service. Vested Safety members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 years of membership with StanCERA or at any age with 20 or more years of credited service. All Tier 3 members may retire at age 55 with 10 or more years of credited service.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4 and Tier 5 members includes a post-retirement cost-of-living (COL) adjustment based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COL increase(s). Tier 1, Tier 2, Tier 4 and Tier 5 provide death and disability benefits.

Note 17: **Employees' Retirement Plan** (continued)

Those members participating in Tier 1, Tier 2, Tier 4 and Tier 5 are required by statute to contribute to the pension plan. Members' contribution rates are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Contribution rates vary from 4.88% to 14.14% of covered payroll for the County and from 5.03% to 12.76% of covered payroll for employees.

Benefits and contribution provisions are established by state law subject to amendment only by a legislative act of the State of California. Alternative benefit and contribution schedules are permissive with approval of the Board of Supervisors.

In addition to providing pension benefits, StanCERA provides a subsidy allowance for retirees. Substantially all of the active members may become eligible for this benefit if they reach normal retirement age. For the year ending June 30, 2009, 2,527 retirees received this subsidy allowance, for a total of $6,747,246. StanCERA sponsored retiree subsidy allowance is not vested and may be discontinued with 90 days notice. Retiree subsidy allowance benefits are funded from excess earnings of the retirement association. As of June 30, 2009, the excess earnings set aside in the net assets held in trust for pension benefits of the Employees' Retirement Trust for funding retiree subsidy allowance amounted to $100,934,481.

StanCERA also provides a death benefit of $5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

The County's contribution to StanCERA for the years ending June 30, 2007, 2008 and 2009 were $27,504,938, $19,485,137 and $20,160,386 respectively, equal to the required contributions for each year. The 2007 County contribution includes a one-time payment for the post Ventura-*Francis* class action lawsuit settlement. The County does not contribute towards post-employment benefits other than retirement.

Schedule of Funding Progress

SCHEDULE OF FUNDING PROGRESS-PENSION BENEFIT PLAN
FOR THE THREE YEARS ENDING JUNE 30, 2008
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
6/30/2005	$ 1,049,691	$ 1,116,310	$ 66,619	94%	$211,681	31.50%
6/30/2006	$ 1,154,048	$ 1,329,375	$ 175,327	86.80%	$212,011	82.70%
6/30/2008	$ 1,317,167	$ 1,548,824	$ 231,657	85.00%	$242,009	95.70%

The actuarial valuation as of June 30, 2006 was revised due to changes in assumptions.
Actuarial valuation was not performed for fiscal year June 30, 2007.

Note 17: **Employees' Retirement Plan** (continued)

Schedule of Funding Progress (continued)

Expressing StanCERA's benefits pension plan (the Plan) net assets as a percentage of the actuarial accrued liability (AAL) provides one indication of StanCERA's funding status on a going-concern basis. Analysis of this percentage over time will indicate whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. As of the most current actuarial valuation completed for year ending June 30, 2008 this percentage was 85.00%. Trends in the unfunded actuarial accrued liability (UAAL) and annual covered payroll are both affected by inflation. Expressing the UAAL , as a percentage of annual covered payroll approximately adjusted for the effects of inflation, will also aid analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan. As of June 30, 2008 this percentage was 95.70%.

Note 18: **Other Post Employment Benefits (OPEB)**

Plan Description

Stanislaus County is a participant in the Stanislaus County Employees' Retirement Association (StanCERA), a cost-sharing multiple-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, County retirees and active County employees are rated in the same pool to determine health insurance premiums. This ability for retirees to obtain coverage at active employee rates results in an economic benefit or implicit subsidy even though the retirees pay their entire premiums (substantive plan).

Funding Policy

The County makes no direct contributions to the StanCERA to fund the OPEB plan. The implicit subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

For fiscal year ended June 30, 2009 the County's annual OPEB cost (expense) of $4,386,041 was equal to the annual required contribution (ARC). The net OPEB obligation for 2009 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	$ 4,386,041	67.9%	$ 1,408,811

Note 18: **Other Post Employment Benefits (OPEB)** (continued)

Funding Policy (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of June 30, 2009 was as follows:

Stanislaus County Employees Other Post Employment Benefit (OPEB) Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	$0	$ 39,835,525	$39,835,525	0%	$ 222,013,314	17.9%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's first actuarial valuation was performed as of July 1, 2006. In that valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions included a six percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of five percent after five years. Both rates reflect an implicit three percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a rolling basis. The remaining amortization period as of June 30, 2007 was 30 years.

Note 19: **Subsequent Events**

On October 27, 2009, the Board of Supervisors approved the establishment of a Joint Powers Agency (JPA) Agreement between the County and the Cities of Modesto, Ceres, Hughson, Patterson and Waterford. The purpose of the JPA is to be responsible for the on-going operation, debt and facility costs for Animal Services provided in the unincorporated areas and partner cities. The financing plan will be funded from the County's 2006 Tobacco endowment fund over a 25-year period to be repaid by the County and the five partner cities: Modesto, Ceres, Hughson, Waterford and Patterson.

Stanislaus
County

Required Supplementary Information

Stanislaus County Employees' Retirement Association
Schedule of Funding Progress
For the Six Years Ending June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
6/30/2002	$ 878,821	$ 870,768	$ (8,053)	100.90%	$ 196,471	-4.10%
6/30/2003	$ 937,797	$ 958,095	$ 20,298	97.90%	$ 197,664	10.30%
6/30/2004	$ 993,180	$ 1,035,345	$ 42,165	95.90%	$ 199,963	21.10%
6/30/2005	$ 1,049,691	$ 1,116,310	$ 66,619	94.00%	$ 211,681	31.50%
6/30/2006	$ 1,154,048	$ 1,329,375	$ 175,327	86.80%	$ 212,011	82.70%
6/30/2008	$ 1,317,167	$ 1,548,824	$ 231,657	85.00%	$ 242,009	95.70%

Actuarial valuation was not performed for fiscal year June 30, 2007.
Data provided by last actuarial valuation as of June 30, 2008.
The actuarial valuation as of June 30, 2006 was revised due to changes in assumptions.

Stanislaus County Employees Other Postemployment Benefits (OPEB) Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Accrued Liability (AAL) Projected Unit Credit b	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	$0	$ 36,090,083	$36,090,083	0%	$ 215,818,211	16.7%
7/1/2008	$0	$ 39,835,525	$39,835,525	0%	$ 222,013,314	17.9%

Source: Demsey, Filliger & Associates, LLC "County of Stanislaus Actuarial Valuation as of July 1, 2008 For the County's Retiree Health Benefits Agreement with StanCERA"

Notes to the Required Supplementary Information

The schedule for StanCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents approximately 88.61% of StanCERA's covered payroll.

The OPEB schedule presented relates solely to the County.

Stanislaus
County

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Fund

Redevelopment Agency

The Redevelopment Agency Fund was established so the County can use redevelopment tax increment financing as a tool to initiate capital public project, property rehabilitation and private development.

Capital Projects

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities. Among the major projects is a downtown project that includes the construction of a parking garage and office structure and the construction of the Center for the Arts.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

Capital Improvement Financing Authority

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificates of Participation issued to finance various capital projects.

Pension Obligation Bonds

This fund is used to accumulate resources for the payment of principal and interest of taxable bonds issued to pay the Employees Retirement Association the County's unfunded actuarial accrued liability.

Stanislaus County Tobacco Funding Corporation

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State.

County of Stanislaus
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stan County Tobacco Funding Corp	Totals
Assets							
Cash and investments	$ 58,451,616	$ 31,132,563	$ 11,546,222	$ 4,324,484	$ -	$ 9,124	$ 105,464,009
Cash with fiscal agent		1,193,773	493,193	6,141,739	10,176	4,775,335	12,614,216
Account receivable (net of allowance for uncollectables)	17,999,763	120	1,000,000		25,182	2,762,405	21,787,470
Interest and other receivables	112,214	78,405	18,228	10,656	(3,426)	14	216,091
Interfund receivable							
Inventory	404,134						404,134
Deferred charges							
Due from other funds	867,648						867,648
Loans to other governments		23,130					23,130
Prepaid items	97,704						97,704
Advance to other funds							
Restricted cash and investments							
Total assets	$ 77,933,079	$ 32,427,991	$ 13,057,643	$ 10,476,879	$ 31,932	$ 7,546,878	$ 141,474,402
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 6,344,287	$ 1,706,903	$ 1,127,945	$ -	$ -	$ 2,762,404	$ 11,941,539
Salaries and benefits payable	4,213,033	7,473					4,220,506
Sales tax liability	(14,401)						(14,401)
Due to other funds	1,579,584				277,417		1,857,001
Deposits from enterprise funds							
Due to other governments							
Interfund payable							
Compensated absences / current							
Deposits from others							
Deferred revenue	1,422,962						1,422,962
Advances from other funds	100,000	400,000					500,000
Total Liabilities	13,645,465	2,114,376	1,127,945		277,417	2,762,404	19,927,607
Fund Balances							
Reserved for:							
Encumbrances	10,035,268	13,330,198	1,203,605				24,569,071
Loans to other governments		24,565					24,565
Other	3,265,719			4,264,340			7,530,059
Capital projects		1,193,773	493,193				1,686,966
Debt service		122,500		6,141,739	10,176	4,775,328	11,049,743
Unreserved:							
Undesignated	50,986,627	15,642,579	10,232,900	70,800	(255,661)	9,146	76,686,391
Total fund balances	64,287,614	30,313,615	11,929,698	10,476,879	(245,485)	4,784,474	121,546,795
Total liabilities and fund balances	$ 77,933,079	$ 32,427,991	$ 13,057,643	$ 10,476,879	$ 31,932	$ 7,546,878	$ 141,474,402

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

		Capital Projects Funds		Debt Service Funds			
	Special Revenue Funds	Redevelopment Agency	Capital Projects	Capital Improvement Finance Authority	Pension Obligation Bonds	Stan County Tobacco Funding Corp	Totals
Revenues:							
Taxes	$ 10,071,165	$ 5,624,245	$ -	$ -	$ -	$ -	$ 15,695,410
Licenses, permits and franchises	1,768,277						1,768,277
Fines, forfeitures and penalties	1,550,693		1,767,957				3,318,650
Revenue from use of money and property	1,390,465	975,819	278,527	449,156	(84,074)	253,529	3,263,422
Intergovernmental revenue	86,416,991	923,873	1,017,529		591,161		88,949,554
Charges for services	30,120,851	19,100					30,139,951
Miscellaneous revenue	775,026	16,829	184,122		214,489	5,461,151	6,651,617
Donations							
Total revenues	132,093,468	7,559,866	3,248,135	449,156	721,576	5,714,680	149,786,881
Expenditures:							
Current:							
General government	801,137						801,137
Public protection	39,733,966						39,733,966
Public ways and facilities	32,596,324						32,596,324
Health and sanitation	49,884,606						49,884,606
Public assistance	19,554,715						19,554,715
Education	12,193,807						12,193,807
Recreation and cultural services	8,307						8,307
Debt service:							
Interest and fiscal charges		966,744		4,043,382	3,715,984	3,406,270	12,132,380
Principal		625,330		7,181,920	7,720,000	2,315,000	17,842,250
Capital outlay		4,294,152	6,983,058				11,277,210
Total expenditures	154,772,862	5,886,226	6,983,058	11,225,302	11,435,984	5,721,270	196,024,702
Revenues over (under) expenditures	(22,679,394)	1,673,640	(3,734,923)	(10,776,146)	(10,714,408)	(6,590)	(46,237,821)
Other financing sources (uses):							
Capital lease proceeds							
Loan proceeds							
Transfers in	29,251,800		3,711,102	10,858,625	9,696,281		53,517,808
Transfers out	(3,180,460)	(1,046)	(3,867,441)				(7,048,947)
Sale of fixed assets							
Proceeds of tobacco securitization							
Total other financing sources (uses)	26,071,340	(1,046)	(156,339)	10,858,625	9,696,281		46,468,861
Net changes in fund balances	3,391,946	1,672,594	(3,891,262)	82,479	(1,018,127)	(6,590)	231,040
Fund balances -- beginning	60,895,668	28,641,021	15,820,960	10,394,400	772,642	4,791,064	121,315,755
Prior year adjustment							
Cumulative effect of change in accounting principle							
Fund balances at beginning of year, as restated	60,895,668	28,641,021	15,820,960	10,394,400	772,642	4,791,064	121,315,755
Fund balances -- ending	$ 64,287,614	$ 30,313,615	$ 11,929,698	$ 10,476,879	$ (245,485)	$ 4,784,474	$ 121,546,795

Nonmajor Special Revenue Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Special revenue funds include:

Environmental Resources

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

Children and Families First Commission

This fund was established to create and implement a comprehensive system of services to support childhood development from the prenatal stage to five (5) years of age. Its revenues come from an increase in the tobacco tax. The tax is divided among counties based on the number of live births, annually, in each county.

Public Works – Engineering

This fund was established to provide engineering services to other divisions in the Public Works Department and other County departments. Revenue consists primarily of charges for services.

Road and Bridge

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

Employment and Training

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

Child Support Services

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

Public Authority

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

Health Services Agency

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

Indigent Health Care

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

Library

This fund was established to account for library services in thirteen branches throughout the county. Support is derived principally from general fund discretionary revenues and 1/8% sales tax increment beginning in July 1995.

Lighting Districts

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

All Other Special Revenue Funds

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Property Tax Administration Program
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Assets							
Cash and investments	$ 3,425,389	$ 19,586,546	$ 1,719,751	$ 12,833,779	$ -	$ 2,001,831	$ -
Cash with fiscal agent							
Tax receivable							
Account receivable (net of allowance for uncollectables)	769,996	1,288,515	30,246	1,109,033	2,968,953	227,864	1,298,084
Interest and other receivables	5,003	53,704		27,940		7,147	
Intergovernmental receivable							
Interfund receivable							
Inventory				304,744			
Deferred charges							
Due from other funds	51,757						
Advance to other governments							
Prepaid items							
Advance to other funds							
Total assets	$ 4,252,145	$ 20,928,765	$ 1,749,997	$ 14,275,496	$ 2,968,953	$ 2,236,842	$ 1,298,084
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 192,536	$ 1,661,779	$ 20,334	$ 359,018	$ 521,424	$ 42,670	$ 127
Salaries and benefits payable	373,424	36,797	355,399	234,282	344,137	716,606	
Due to other funds		460			1,297,948		268,015
Interfund payable							
Other current liabilities							
Compensated absences / current							
Deposits from others							
Deposits from enterprise funds							
Seized assets							
Deferred revenue							1,029,942
Advances from other funds							
Total Liabilities	565,960	1,699,036	375,733	593,300	2,163,509	759,276	1,298,084
Fund Balances							
Reserved for:							
Encumbrances	236,415	626,711	105,525	1,705,211	5,429	42,064	
Designated - restricted							
Designated - capital acquisition							
Advances to other funds							
Reserved for advances							
Other	800		100	304,744		600	
Net assets-invested in capital							
Unreserved.							
Undesignated	3,448,970	18,603,018	1,268,639	11,672,241	800,015	1,434,902	
Total fund balances	3,686,185	19,229,729	1,374,264	13,682,196	805,444	1,477,566	-
Total liabilities and fund balances	$ 4,252,145	$ 20,928,765	$ 1,749,997	$ 14,275,496	$ 2,968,953	$ 2,236,842	$ 1,298,084

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Assets
$ 510,720	$ 1,076,936	$ 3,985,271	$ 94,071	$ 13,217,322	$ 58,451,616	Cash and investments
						Cash with fiscal agent
						Tax receivable
6,480,966	1,049,451	1,063,030		1,713,625	17,999,763	Account receivable (net of allowance for uncollectables)
6,137	995		238	11,050	112,214	Interest and other receivables
						Intergovernmental receivable
						Interfund receivable
99,390					404,134	Inventory
						Deferred charges
308,402	507,489				867,648	Due from other funds
						Advance to other governments
97,704					97,704	Prepaid items
						Advance to other funds
$ 7,503,319	$ 2,634,871	$ 5,048,301	$ 94,309	$ 14,941,997	$ 77,933,079	Total assets
						Liabilities and Fund Balances
						Liabilities
$ 777,844	$ 1,466,546	$ 107,353	$ 15,202	$ 1,179,454	$ 6,344,287	Accounts payable
1,333,576	115,597	369,269		333,946	4,213,033	Salaries and benefits payable
4,180	8,981				1,579,584	Due to other funds
						Interfund payable
(14,470)	69				(14,401)	Other current liabilities
						Compensated absences / current
						Deposits from others
						Deposits from enterprise funds
						Seized assets
277,459	61,406			54,155	1,422,962	Deferred revenue
				100,000	100,000	Advances from other funds
2,378,589	1,652,599	476,622	15,202	1,667,555	13,645,465	Total Liabilities
						Fund Balances
						Reserved for:
531,470	19,875	177,771		6,584,797	10,035,268	Encumbrances
						Designated - restricted
						Designated - capital acquisition
						Advances to other funds
						Reserved for advances
207,995	50	1,425		2,750,005	3,265,719	Other
						Net assets-invested in capital
						Unreserved:
4,385,265	962,347	4,392,483	79,107	3,939,640	50,986,627	Undesignated
5,124,730	982,272	4,571,679	79,107	13,274,442	64,287,614	Total fund balances
$ 7,503,319	$ 2,634,871	$ 5,048,301	$ 94,309	$ 14,941,997	$ 77,933,079	Total liabilities and fund balances

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Revenues:							
Taxes	$ -	$ -	$ -	$ 1,311,321	$ -	$ -	$ -
Licenses, permits and franchises			1,375,189	286,455			
Fines, forfeitures and penalties	66,651						
Revenue from use of money and property	39,805	653,969		411,960		67,081	
Intergovernmental revenue	983,263	7,734,435	7,899	20,780,765	10,664,639	15,611,316	3,815,102
Charges for services	6,862,445		5,056,040	99,728	2,101,583	10,666	
Miscellaneous revenue	(952)		2,100	14,631		3,540	151,770
Total revenues	7,951,212	8,388,404	6,441,228	22,904,860	12,766,222	15,692,603	3,966,872
Expenditures:							
General		781,195					
Public protection	8,466,315		2,183,361			15,870,756	
Public ways and facilities			4,990,365	27,605,959			
Health and sanitation		6,754,735					
Public assistance					12,262,842		4,664,769
Education		2,322,549					
Recreation and cultural services							
Total expenditures	8,466,315	9,858,479	7,173,726	27,605,959	12,262,842	15,870,756	4,664,769
Revenues over (under) expenditures	(515,103)	(1,470,075)	(732,498)	(4,701,099)	503,380	(178,153)	(697,897)
Other financing sources (uses):							
Transfers in	1,354,095		592,694	10,080,392			697,897
Transfers out	(151,610)	(15,180)	(143,927)	(757,242)	(136,129)	(315,085)	
Total other financing sources (uses)	1,202,485	(15,180)	448,767	9,323,150	(136,129)	(315,085)	697,897
Net change in fund balance	687,382	(1,485,255)	(283,731)	4,622,051	367,251	(493,238)	
Fund balances -- beginning	2,998,803	20,714,984	1,657,995	9,060,145	438,193	1,970,804	
Prior period adjustment							
Fund balances -- ending	$ 3,686,185	$ 19,229,729	$ 1,374,264	$ 13,682,196	$ 805,444	$ 1,477,566	$ -

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2009

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Revenues
$ -	$ -	$ 7,469,996	$ 60,093	$ 1,229,755	$ 10,071,165	Taxes
11,119				95,514	1,768,277	Licenses, permits and franchises
134,710	871,705			477,627	1,550,693	Fines, forfeitures and penalties
66,984	17,830		2,259	130,577	1,390,465	Revenue from use of money and property
13,201,031	3,031,971	356,070	684	10,229,815	86,416,990	Intergovernmental revenue
11,803,578	689,901	363,025	204,845	2,929,041	30,120,852	Charges for services
355,617	41,120	47,202	4,680	155,318	775,026	Miscellaneous revenue
25,573,039	4,652,527	8,236,293	272,561	15,247,647	132,093,468	Total revenues
						Expenditures:
				19,942	801,137	General
			281,214	12,932,320	39,733,966	Public protection
					32,596,324	Public ways and facilities
29,471,807	13,658,064				49,884,606	Health and sanitation
				2,627,104	19,554,715	Public assistance
		9,864,081		7,177	12,193,807	Education
				8,307	8,307	Recreation and cultural services
29,471,807	13,658,064	9,864,081	281,214	15,594,850	154,772,862	Total expenditures
(3,898,768)	(9,005,537)	(1,627,788)	(8,653)	(347,203)	(22,679,394)	Revenues over (under) expenditures
						Other financing sources (uses):
4,218,286	9,941,404	1,227,131		1,139,901	29,251,800	Transfers in
(470,313)	(54,524)	(130,522)		(1,005,928)	(3,180,460)	Transfers out
3,747,973	9,886,880	1,096,609		133,973	26,071,340	Total other financing sources (uses)
(150,795)	881,343	(531,179)	(8,653)	(213,230)	3,391,946	Net change in fund balance
5,275,525	100,929	5,102,858	87,760	13,487,672	60,895,668	Fund balances -- beginning
						Prior period adjustment
$ 5,124,730	$ 982,272	$ 4,571,679	$ 79,107	$ 13,274,442	$ 64,287,614	Fund balances -- ending

Stanislaus
County

Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public.

County Transit System

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

Stanislaus Behavioral Health Center

This fund was established to account for the operations of the Stanislaus Behavioral Health Center, which provides mental health and chemical dependency inpatient and outpatient services to public and private clients.

Inmate Welfare/Commissary

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

County of Stanislaus
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2009

	County Transit System	Stanislaus Behavioral Health Center	Inmate Welfare/ Commissary	Total
ASSETS:				
Current Assets:				
Cash and investments	$ 1,351,623	$ -	$ 987,938	$ 2,339,561
Accounts receivable, net	1,378,593		63,546	1,442,139
Interest and other receivables	5,564		2,421	7,985
Inventory			18,540	18,540
Total current assets	2,735,780		1,072,445	3,808,225
Noncurrent assets:				
Capital assets:				
Building and improvements	79,441		216,731	296,172
Equipment	4,743,912		144,907	4,888,819
Less: Accumulated depreciation	(1,295,828)		(121,211)	(1,417,039)
Total noncurrent assets	3,527,525		240,427	3,767,952
Total assets	6,263,305		1,312,872	7,576,177
LIABILITIES:				
Current liabilities:				
Accounts payable	251,836		101,735	353,571
Salaries and benefits payable	19,672		40,905	60,577
Current portion of capital lease			5,727	5,727
Total current liabilities	271,508		148,367	419,875
Noncurrent liabilities				
Estimated cost of closure/postclosure				
Liability for compensated absences	51,414			51,414
Other post-empolyment benefits (OPEB)	2,919		4,766	7,685
Capital lease payable			13,649	13,649
Total noncurrent liabilities	54,333		18,415	72,748
Total liabilities	325,841		166,782	492,623
NET ASSETS:				
Invested in capital assets, net of related debt	3,527,525		221,051	3,748,576
Restricted				
Unrestricted	2,409,939		925,039	3,334,978
Total net assets	$ 5,937,464	$ -	$ 1,146,090	$ 7,083,554

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2009

	County Transit System	Stanislaus Behavioral Health Center	Inmate Welfare/ Commissary	Total
Operating revenues:				
Charges for services	$ 363,804	$ -	$ 1,568,646	$ 1,932,450
Total operating revenues	363,804		1,568,646	1,932,450
Operating expenses:				
Salaries and benefits	325,643		757,224	1,082,867
Services and supplies	2,947,715	(2,471)	1,080,872	4,026,116
Depreciation	315,347		26,537	341,884
Total operating expenses	3,588,705	(2,471)	1,864,633	5,450.867
Operating income (loss)	(3,224,901)	2,471	(295,987)	(3,518,417)
Nonoperating revenues (expenses)				
Investment income	62,670	(44,687)	29,489	47,472
Gain (Loss) on sale of fixed assets			(1,770)	(1,770)
Intergovernmental	4,155,994			4,155,994
Total nonoperating revenues (expenses)	4,218,664	(44,687)	27,719	4,201,696
Income before contributions and transfers	993,763	(42,216)	(268,268)	683,279
Capital contributions				
Transfers out	(7,760)	(2,283,673)	(20,840)	(2,312,273)
Change in net assets	986,003	(2,325,889)	(289,108)	(1,628,994)
Total net assets - beginning	4,951,461	2,325,889	1,435,198	8,712,548
Total net assets - beginning - restated	4,951,461	2,325,889	1,435,198	8,712,548
Total net assets - ending	$ 5,937,464	$ -	$ 1,146,090	$ 7,083,554

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in general, special revenue, or enterprise funds.

General Liability Insurance

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

Unemployment Insurance

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

Workers' Compensation Insurance

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

Purchased Insurance

This fund accounts for insurance purchased from outside vendors for health and life insurance. Revenues are generated by premiums paid by other funds.

Dental Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

Vision Care Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

INTERNAL SERVICE FUNDS
(Continued)

Professional Liability Insurance

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

Central Services

This fund was established to account for the cost of issuing supplies and food items, printing, duplication, postage, mail room service, and messenger service. Revenues are generated based on billings for services provided.

Fleet Services

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

Technology and Communications

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

Morgan Shop Garage

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

County of Stanislaus
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

	Self Insurance Funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
ASSETS:						
Cash and investments	$ 3,040,667	$ 1,439,526	$ 28,022,922	$ 76,287	$ 1,535,290	$ 752,579
Accounts receivable, net				7,500	446	
Interest and other receivables	7,689	3,875	68,823		3,633	1,723
Inventory						
Deposit with others			500,000		25,000	
Due from other funds						
Prepaid items	25,593					
Total current assets	3,073,949	1,443,401	28,591,745	83,787	1,564,369	754,302
Capital assets:						
Structures and improvements						
Equipment						
Less: Accumulated depreciation						
Net capital assets						
Total assets	3,073,949	1,443,401	28,591,745	83,787	1,564,369	754,302
LIABILITIES:						
Current liabilities						
Accounts payable	138,242		229,150		172,930	74,829
Salaries and benefits payable						
Interfund payable						
Due to other funds						
Deposits from others						
Risk management liability-current	1,815,477	153,341	3,854,031		590,911	96,406
Capital lease - current						
Compensated absences - current						
Total current liabilities	1,953,719	153,341	4,083,181		763,841	171,235
Noncurrent liabilities						
Risk management liability	415,523		15,543,969			
Capital leases payable						
Compensated absences						
Other post-employment benefits						
Total noncurrent liabilities	415,523		15,543,969			
Total liabilities	2,369,242	153,341	19,627,150		763,841	171,235
NET ASSETS (DEFICIT):						
Invested in capital assets, net of related debt						
Unrestricted	704,707	1,290,060	8,964,595	83,787	800,528	583,067
Total net assets (deficit)	$ 704,707	$ 1,290,060	$ 8,964,595	$ 83,787	$ 800,528	$ 583,067

County of Stanislaus
Combining Statement of Net Assets (Continued)
Internal Service Funds
June 30, 2009

Self Insurance Funds: Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						ASSETS:
$ 1,383,571	$ 164,123	$ 114,349	$ 3,432,894	$ 901,667	$ 40,863,875	Cash and investments
	13,846	4,545	24,375	340,726	391,438	Accounts receivable, net
3,135					88,878	Interest and other receivables
	88,716	57,704		106,152	252,572	Inventory
					525,000	Deposit with others
						Due from other funds
					25,593	Prepaid items
1,386,706	266,685	176,598	3,457,269	1,348,545	42,147,356	Total current assets
						Capital assets:
	11,735	990,773			1,002,508	Structures and improvements
	248,633	7,146,546	4,680,538	11,650,939	23,726,656	Equipment
	(204,583)	(5,919,155)	(4,213,668)	(6,598,117)	(16,935,523)	Less: Accumulated depreciation
	55,785	2,218,164	466,870	5,052,822	7,793,641	Net capital assets
1,386,706	322,470	2,394,762	3,924,139	6,401,367	49,940,997	Total assets
						LIABILITIES:
						Current liabilities
8,334	68,022	59,028	44,107	$ 272,299	1,066,941	Accounts payable
	40,230	47,580	162,608	36,300	286,718	Salaries and benefits payable
						Interfund payable
						Due to other funds
						Deposits from others
161,000					6,671,166	Risk management liability-current
	3,629				3,629	Capital lease - current
	8,015	13,234	64,996	9,214	95,459	Compensated absences - current
169,334	119,896	119,842	271,711	317,813	8,123,913	Total current liabilities
						Noncurrent liabilities
					15,959,492	Risk management liability
	14,303				14,303	Capital leases payable
	62,712	105,259	304,154	73,514	545,639	Compensated absences
	12,563	8,717	23,800	7,591	52,671	Other post-employment benefits
	89,578	113,976	327,954	81,105	16,572,105	Total noncurrent liabilities
169,334	209,474	233,818	599,665	398,918	24,696,018	Total liabilities
						NET ASSETS (DEFICIT):
	37,853	2,218,164	466,870	5,052,822	7,775,709	Invested in capital assets, net of related debt
1,217,372	75,143	(57,220)	2,857,604	949,627	17,469,270	Unrestricted
$ 1,217,372	$ 112,996	$ 2,160,944	$ 3,324,474	$ 6,002,449	$ 25,244,979	Total net assets (deficit)

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	Self Insurance Funds						Self Insurance Funds	
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance	Professional Liability Insurance	Central Services
Operating revenues:								
Charges for services	$ 2,661,400	$	$ 5,945,268	$ 46,090,508	$ 4,332,721	$ 1,007,740	$ 1,401,220	$ 1,315,801
Total operating revenues	2,661,400		5,945,268	46,090,508	4,332,721	1,007,740	1,401,220	1,315,801
Operating expenses:								
Salaries and benefits								744,137
Services and supplies	4,171,890	241,204	3,964,290	45,956,778	4,746,260	914,267	643,175	593,161
Depreciation								11,518
Total operating expenses	4,171,890	241,204	3,964,290	45,956,778	4,746,260	914,267	643,175	1,348,816
Operating income (loss)	(1,510,490)	(241,204)	1,980,978	133,730	(413,539)	93,473	758,045	(33,015)
Nonoperating revenues (expenses):								
Interest income	84,416	48,522	877,486		46,914	42,475	43,052	
Interest expense								(713)
Intergovernmental								
Gain (loss) on sale of capital assets								
Total nonoperating revenues (expenses), net	84,416	48,522	877,486		46,914	42,475	43,052	(713)
Income (loss) before contributions and transfers	(1,426,074)	(192,682)	2,858,464	133,730	(366,625)	135,948	801,097	(33,728)
Capital contribution								
Transfers in								
Transfers out	(198,359)						(1,000,000)	(15,861)
Changes in net assets	(1,624,433)	(192,682)	2,858,464	133,730	(366,625)	135,948	(198,903)	(49,589)
Total net assets (deficit) - beginning	2,329,140	1,482,742	6,106,131	(49,943)	1,167,153	447,119	1,416,275	162,5[illegible]
Residual equity transfers out								
Prior period adjustment								
Cumulative effect of change in accounting principle								
Total net assets - beginning - restated	2,329,140	1,482,742	6,106,131	(49,943)	1,167,153	447,119	1,416,275	162,585
Total net assets (deficit) - ending	$ 704,707	$ 1,290,060	$ 8,964,595	$ 83,787	$ 800,528	$ 583,067	$ 1,217,372	$ 112,996

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
				Operating revenues
$ 2,387,736	$ 6,236,291	$ 3,159,700	$ 74,538,385	Charges for services
2,387,736	6,236,291	3,159,700	74,538,385	Total operating revenues
				Operating expenses:
866,383	2,941,389	683,307	5,235,216	Salaries and benefits
1,556,352	2,035,074	1,637,686	66,460,137	Services and supplies
629,932	136,067	689,702	1,467,219	Depreciation
3,052,667	5,112,530	3,010,695	73,162,572	Total operating expenses
(664,931)	1,123,761	149,005	1,375,813	Operating income (loss)
				Nonoperating revenues (expenses):
			1,142,865	Interest income
			(713)	Interest expense
		1,621,472	1,621,472	Intergovernmental
9,605		(15,261)	(5,656)	Gain (loss) on sale of capital assets
9,605		1,606,211	2,757,968	Total nonoperating revenues (expenses), net
(655,326)	1,123,761	1,755,216	4,133,781	Income (loss) before contributions and transfers
				Capital contribution
55,958			55,958	Transfers in
(19,256)	(67,698)	(15,058)	(1,316,232)	Transfers out
(618,624)	1,056,063	1,740,158	2,873,507	Changes in net assets
2,779,568	2,268,411	4,262,291	22,371,472	Total net assets (deficit) - beginning
				Residual equity transfers out
				Prior period adjustment
				Cumulative effect of change in accounting principle
2,779,568	2,268,411	4,262,291	22,371,472	Total net assets - beginning - restated
$ 2,160,944	$ 3,324,474	$ 6,002,449	$ 25,244,979	Total net assets (deficit) - ending

Stanislaus
County

Statistical Information

County of Stanislaus
Net Assets by Component
(accrual basis of accounting)
Last Eight Fiscal Years

	Fiscal Year							
	2002 as restated	2003 as restated	2004	2005 as restated	2006 as restated	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	$ 502,867,315	$ 496,673,006	$ 495,467,522	$ 486,725,321	$ 468,897,825	$ 464,402,025	$ 435,204,374	$ 418,149,972
Restricted	170,994,690	171,348,552	111,663,081	127,009,622	152,249,240	163,255,952	193,992,595	189,524,182
Restricted by enabling legislation				20,529	126,604			
Unrestricted (deficit)	(30,001,296)	(70,833,738)	(22,784,867)	10,909,303	36,961,726	64,162,858	72,110,910	81,056,076
Total governmental activities net assets	$ 643,860,709	$ 597,187,820	$ 584,345,736	$ 624,664,775	$ 658,235,395	$ 691,820,835	$ 701,307,879	$ 688,730,230
Business-type activities								
Invested in capital assets, net of related debt	$ 22,441,843	$ 22,276,120	$ 24,016,538	$ 27,911,764	$ 29,741,803	$ 29,205,014	$ 23,544,958	$ 24,087,472
Restricted	19,420,965	21,030,306	17,058,797	16,464,101	17,484,367	18,925,816	20,404,464	20,831,269
Restricted by enabling legislation								
Unrestricted (deficit)	(26,574,831)	(32,132,595)	(19,977,851)	(19,270,657)	(24,034,466)	(22,237,324)	(6,364,621)	(13,496,679)
Total business-type activities net assets	$ 15,287,977	$ 11,173,831	$ 21,097,484	$ 25,105,208	$ 23,191,704	$ 25,893,506	$ 37,584,801	$ 31,422,062
Primary government								
Invested in capital assets, net of related debt	$ 525,309,158	$ 518,949,126	$ 519,484,060	$ 514,637,085	$ 498,639,628	$ 493,607,039	$ 458,749,332	$ 442,237,444
Restricted	190,415,655	192,378,858	128,721,878	143,473,723	169,733,607	182,181,768	214,397,059	210,355,451
Restricted by enabling legislation				20,529	126,604			
Unrestricted	(56,576,127)	(102,966,333)	(42,762,718)	(8,361,354)	12,927,260	41,925,534	65,746,289	67,559,397
Total primary government net assets	$ 659,148,686	$ 608,361,651	$ 605,443,220	$ 649,769,983	$ 681,427,099	$ 717,714,341	$ 738,892,680	$ 720,152,292

Notes:
FY 2001-2002 primary government total net assets was restated from $678,494,188 to $659,148,686
FY 2002-2003 governmental activities total net assets was restated from $639,576,553 to $597,187,820
FY 2004-2005 business-type activities total net assets was restated from $23,160,498 to $25,105,208
FY 2005-2006 business-type activities total net assets was restated from $28,418,264 to $23,191,704

County of Stanislaus
Changes in Net Assets
(accrual basis of accounting)
Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General government	$ 40,719,666	$ 48,391,005	$ 44,290,347	$ 43,758,556	$ 46,905,827	$ 40,326,944	$ 43,025,653	$ 41,874,466
Public protection	136,575,084	143,930,821	146,200,826	153,222,823	171,456,271	179,232,723	191,239,717	188,612,369
Public ways and facilities	33,500,529	39,214,960	45,291,400	49,611,339	43,300,626	48,425,573	55,988,788	53,935,268
Health and sanitation	99,938,442	103,632,801	103,788,932	104,052,780	107,002,519	117,136,073	121,365,271	117,806,204
Public assistance	210,016,007	205,434,527	204,811,256	216,024,493	226,912,785	234,184,853	259,362,079	269,101,718
Education	8,979,780	9,628,228	10,553,123	11,455,049	11,617,617	13,230,701	15,610,881	14,687,440
Recreation	4,786,457	6,062,670	6,710,196	5,367,318	5,936,392	5,172,418	6,879,842	5,811,357
Interest and fiscal charges on long-term debt	11,720,293	11,582,666	17,522,288	17,509,698	15,794,464	18,532,357	16,122,979	15,244,566
Total governmental activities expenses	546,236,258	567,877,678	579,168,368	601,002,056	628,926,501	656,241,642	709,595,210	707,073,388
Business-type activities:								
Landfills	7,184,548	7,659,100	4,295,808	1,837,850	4,264,879	4,495,812	4,561,797	4,766,494
Waste-to-Energy	6,879,368							
Behavioral Health	14,019,815	13,799,708	16,655,727	16,256,875	16,574,026	14,981,467	3,403,472	(2,472)
Health Clinics and Ancillary	36,353,822	37,321,847	40,143,654	42,296,204	47,386,656	46,566,334	44,898,435	44,109,486
Inmate Welfare and Commissary	1,317,672	1,437,906	1,718,460	1,861,958	1,448,930	1,553,968	1,555,411	1,864,632
Transit	1,951,513	2,082,555	2,348,014	2,953,712	2,621,053	2,879,015	3,133,519	3,588,704
Total business-type activities expenses	0	62,301,116	65,161,663	65,206,599	72,295,544	70,476,596	57,552,634	54,326,844
Total primary government expenses	$ 546,236,258	$ 630,178,794	$ 644,330,031	$ 666,208,655	$ 701,222,045	$ 726,718,238	$ 767,147,844	$ 761,400,232
Program Revenues								
Governmental activities:								
Charges for services								
General government	$ 24,217,304	$ 23,686,029	$ 17,555,386	$ 25,096,648	$ 25,071,142	$ 24,445,799	$ 28,325,318	$ 29,188,498
Public protection	33,777,480	33,973,505	40,883,130	47,523,591	47,598,437	45,100,432	44,468,709	42,232,145
Public ways and facilities	2,100,852	1,990,484	12,520,953	14,937,803	13,523,739	11,821,776	10,880,736	7,689,430
Health and sanitation	26,121,085	24,778,203	26,047,686	27,706,588	34,027,134	32,012,248	33,728,583	30,132,125
Public assistance	3,360,030	4,139,918	3,241,588	5,144,987	4,562,731	4,454,712	4,306,559	4,276,140
Education	591,882	387,553	1,958,812	2,597,282	1,791,647	1,119,156	929,447	525,221
Recreation	3,564,748	2,100,374	3,383,321	4,303,898	4,195,225	3,785,258	3,464,167	2,795,544
Operating grants and contributions	340,536,926	332,085,792	335,349,242	346,718,321	373,932,272	388,750,336	407,883,255	404,255,872
Capital grants and contributions	19,854,710	23,552,188	11,639,869	18,080,864	17,156,592	23,998,543	24,598,071	25,452,497
Total governmental activities program revenues	454,125,017	446,694,046	452,579,987	492,109,982	521,858,919	535,488,260	558,584,845	546,547,472
Business-type activities:								
Charges for services:								
Landfills	5,623,173	4,793,867	4,941,990	5,785,376	5,941,134	5,316,886	5,976,090	4,902,033
Waste-to-Energy	8,556,601							
Behavioral Health	12,487,670	14,756,842	16,138,480	15,994,328	17,043,260	13,767,234	2,747,730	
Health Clinics and Ancillary	37,767,463	37,576,983	39,969,644	38,144,080	36,897,631	27,505,872	40,609,257	40,307,063
Inmate Welfare and Commissary	1,410,094	1,226,081	1,230,589	1,387,650	1,587,772	1,584,935	1,576,214	1,568,646
Transit	178,400	196,832	248,081	280,470	270,282	271,523	287,648	363,804
Operating grants and contributions	808,097	514,380	2,113,508	945,523	1,172,645	1,906,353	2,567,553	2,952,731
Capital grants and contributions	2,322,034		133,483	2,106,894	219,614		742,258	
Total business-type activities program revenues	69,153,532	59,064,985	64,775,775	64,644,321	63,132,338	50,352,803	54,506,750	50,094,277
Total primary government program revenues	$ 523,278,549	$ 505,759,031	$ 517,355,762	$ 556,754,303	$ 584,991,257	$ 585,841,063	$ 613,091,595	$ 596,641,749

(continued)

Changes in Net Assets
(accrual basis of accounting)
Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue								
Governmental activities	$ (92,111,241)	$ (121,183,632)	$ (126,588,381)	$ (108,892,074)	$ (107,067,582)	$ (120,753,382)	$ (151,010,365)	$ (160,525,916)
Business-type activities	69,153,532	(3,236,131)	(385,888)	(562,278)	(9,163,206)	(20,123,793)	(3,045,884)	(4,232,568)
Total primary government net expense	$ (22,957,709)	$ (124,419,763)	$ (126,974,269)	$ (109,454,352)	$ (116,230,788)	$ (140,877,175)	$ (154,056,249)	$ (164,758,484)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	$ 29,325,476	$ 31,561,725	$ 34,432,004	$ 36,762,205	$ 91,742,755	$ 106,497,765	$ 113,743,380	$ 103,175,578
Sales taxes	23,656,194	26,468,757	27,480,214	29,434,230	32,547,462	32,520,456	29,552,774	26,568,776
Other taxes	2,603,661	2,918,028	3,787,530	4,667,735	4,693,426	3,390,027	2,583,804	2,765,178
Franchise fees	1,221,235	918,309	1,020,333	1,015,443	1,053,101	1,090,128	1,126,758	1,175,849
Payment in lieu of taxes								
Motor vehicle license	30,646,886	32,658,197	25,906,813	44,584,362				
Open space subvention	1,803,361	1,737,231	1,691,748	1,670,086	1,609,009	1,545,374	1,466,943	1,332,316
Rental income	710,984							
Unrestricted investment earnings	5,476,077	3,646,615	2,550,113	10,552,047	8,678,242	13,903,636	11,247,849	7,448,383
Miscellaneous	11,123,678	11,648,645	11,543,413	12,506,005	9,652,580	9,516,094	10,011,674	9,734,087
Donation			13,537,658	9,460,780				
Gain (loss) on sale of fixed assets	(1,684,661)							
Special Item-proceeds of tobacco securitization	52,403,206							
Transfers	3,161,648	5,341,969	(8,203,529)	(1,441,780)	(9,338,373)	(14,124,658)	(11,265,358)	(4,251,900)
Total governmental activities	160,447,745	116,899,476	113,746,297	149,211,113	140,638,202	154,338,822	158,467,824	147,948,267
Business-type activities:								
Sales taxes	1,606,502	1,892,035		2,422,965	2,506,291	2,626,260	2,528,268	2,781,611
Unrestricted investment earnings	2,479,622	2,571,919	2,106,012	705,257	631,598	848,117	943,553	673,368
Gain (loss) on sale of fixed assets	(11,801)							
Transfers	(3,161,648)	(5,341,969)	8,203,529	1,441,780	9,338,373	14,124,658	11,265,358	4,251,900
Total business-type activities	912,675	(878,015)	10,309,541	4,570,002	12,476,262	17,599,035	14,737,179	7,706,879
Total primary government	$ 161,360,420	$ 116,021,461	$ 124,055,838	$ 153,781,115	$ 153,114,464	$ 171,937,857	$ 173,205,003	$ 155,655,146
Change in Net Assets								
Governmental activities	$ 68,336,504	$ (4,284,156)	$ (12,842,084)	$ 40,319,039	$ 33,570,620	$ 33,585,440	$ 7,457,459	$ (12,577,649)
Business-type activities	70,066,207	(4,114,146)	9,923,653	4,007,724	3,313,056	(2,524,758)	11,691,295	3,474,311
Total primary government	$ 138,402,711	$ (8,398,302)	$ (2,918,431)	$ 44,326,763	$ 36,883,676	$ 31,060,682	$ 19,148,754	$ (9,103,338)

County of Stanislaus
Governmental Activities Tax Revenues by Source
(accrual basis of accounting)
Last Eight Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total	
2002	$ 29,325,476	$ 23,656,194	$ 2,603,661	$ 55,585,331	
2003	31,561,725	26,468,757	2,918,028	60,948,510	
2004	34,432,004	27,480,214	3,787,530	65,699,748	
2005	36,762,205	29,434,230	4,667,735	70,864,170	
2006	91,742,755	32,547,462	4,693,426	128,983,643	(1)
2007	106,497,765	32,520,456	3,390,027	142,408,248	
2008	113,743,380	29,552,774	2,583,804	145,879,958	
2009	103,175,578	26,568,776	2,765,178	132,509,532	

(1) Over $46 million of the 2006 increase can be attributed to the State's swap of motor vehicle in-lieu taxes for property taxes in-lieu of vehicle license fees.

County of Stanislaus
Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General fund								
Reserved	$ 16,910,835	$ 23,941,306	$ 25,354,279	$ 25,924,335	$ 31,767,114	$ 44,479,034	$ 62,679,395	$ 41,327,030
Unreserved	38,924,411	35,999,464	33,292,699	56,023,028	74,630,642	72,660,005	61,246,112	81,205,741
Total general fund	$ 55,835,246	$ 59,940,770	$ 58,646,978	$ 81,947,363	$ 106,397,756	$ 117,139,039	$ 123,925,507	$ 122,532,771
All other governmental funds								
Reserved	$ 32,322,226	$ 37,071,720	$ 108,136,528	$ 67,918,410	$ 48,258,775	$ 41,362,101	$ 33,055,756	$ 44,950,690
Unreserved, reported in								
Special revenue funds	113,216,454	107,689,217	110,031,476	109,598,487	163,006,645	163,980,081	167,860,880	165,211,614
Capital project funds	51,563,966	47,090,116	25,250,961	68,311,908	101,602,439	116,592,397	127,469,211	113,352,226
Debt service funds	7,288,740	4,631,675	2,527,799	1,177,586	86,286	716,295	803,917	(53,215)
Total all other governmental funds	$ 204,391,386	$ 196,482,728	$ 245,946,764	$ 247,006,391	$ 312,954,145	$ 322,650,874	$ 329,189,764	$ 323,461,315

County of Stanislaus
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues								
Taxes	$ 55,585,337	$ 60,948,505	$ 65,574,750	$ 70,907,713	$ 128,897,810	$ 142,332,996	$ 146,040,455	$ 132,516,011
Licenses, permits and franchises	3,514,853	3,406,830	4,522,962	5,229,280	5,795,146	5,632,176	4,850,084	4,362,507
Fines, forfeitures and penalties	6,978,905	7,993,664	6,458,261	8,249,576	12,293,083	13,334,536	16,471,765	18,740,397
Revenue from use of money and property	10,439,033	7,908,954	5,385,832	14,087,837	14,851,573	23,993,844	20,366,844	13,135,585
Intergovernmental revenue	382,418,947	379,661,625	374,587,670	404,173,862	385,428,573	399,060,197	423,136,156	424,320,463
Charges for services	87,224,458	84,689,346	96,416,581	110,621,879	113,569,885	105,010,453	106,066,595	95,147,099
Miscellaneous revenue	11,091,239	11,648,645	11,543,413	12,513,789	9,652,580	9,516,094	10,012,180	9,734,085
Donation			13,537,658	6,145,113		3,736,752		
Total revenues	557,252,772	556,257,569	578,027,127	631,929,049	670,488,650	702,617,048	726,944,079	697,956,147
Expenditures								
General	36,494,615	39,042,574	38,197,737	38,619,527	44,505,563	36,843,138	42,117,731	35,384,105
Public Protection	133,205,484	140,359,147	142,936,105	155,069,132	164,830,857	181,167,098	191,335,195	187,668,670
Public ways and facilities	22,887,072	24,703,267	22,352,607	19,355,303	21,154,573	28,138,841	33,640,576	33,072,185
Health and sanitation	98,746,982	103,859,610	103,266,153	105,176,319	108,099,835	117,532,564	121,486,760	117,463,923
Public assistance	209,041,477	204,532,483	203,468,428	215,860,788	226,545,330	233,950,056	258,662,538	268,783,428
Education	12,950,762	9,449,163	9,676,337	10,055,515	10,522,628	12,683,522	14,038,114	12,614,620
Recreation and cultural services	4,401,008	5,433,031	6,606,007	4,260,721	4,414,323	5,288,606	6,548,470	5,393,150
Capital outlay	8,317,137	17,840,345	14,724,893	28,409,155	18,404,088	18,105,515	7,032,270	11,398,556
Debt Service								
Interest and fiscal charges	11,808,658	11,207,951	18,869,034	16,417,218	16,380,484	16,070,101	13,622,687	12,187,477
Principal	9,635,816	10,208,176	17,014,661	13,021,864	13,578,584	18,429,803	16,444,563	18,125,510
Total expenditures	547,489,011	566,635,747	577,111,962	606,245,542	628,436,265	668,209,244	704,928,904	702,091,624
Excess of revenues over (under) expenditures	9,763,761	(10,378,178)	915,165	25,683,507	42,052,385	34,407,804	22,015,175	(4,135,477)
Other financing sources (uses)								
Capital lease proceeds	309,984	290,938	29,651		219,767	129,559	254,451	1,005,918
Transfers in	84,654,371	75,409,177	68,602,177	67,662,570	78,628,427	77,077,052	81,047,677	84,579,808
Transfers out	(80,585,027)	(69,413,722)	(76,677,619)	(68,986,762)	(88,271,040)	(91,273,994)	(92,022,031)	(88,571,434)
Loan proceeds	4,516,403		47,408,114		15,615,000	42,081,614		
Sale of capital assets	7,722	288,640	6,710	697		15,401	501	
Payment to refund bond agent						(41,999,424)		
Total other financing sources (uses)	8,903,453	6,575,033	39,369,033	(1,323,495)	6,192,154	(13,969,792)	(10,719,402)	(2,985,708)
Special item								
Proceeds of tobacco securitization	52,403,206				42,153,611			
Net change in fund balances	$ 71,070,420	$ (3,803,145)	$ 40,284,198	$ 24,360,012	$ 90,398,150	$ 20,438,012	$ 11,295,773	$ (7,121,186)
Debt service as a percentage of noncapital expenditures	4.22%	4.25%	7.00%	5.56%	5.27%	5.72%	4.57%	4.68%

County of Stanislaus
Net Assessed and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Total Assessed Value	(1) Total Direct Tax Rate
2000/2001	$ 19,795,443,842	$ 1,206,626,885	$ 21,002,070,727	1.0%
2001/2002	$ 21,317,074,370	$ 1,360,820,907	$ 22,677,895,277	1.0%
2002/2003	$ 23,364,100,262	$ 1,315,502,382	$ 24,679,602,644	1.0%
2003/2004	$ 25,437,563,896	$ 1,448,952,923	$ 26,886,516,819	1.0%
2004/2005	$ 28,051,289,609	$ 1,417,019,559	$ 29,468,309,168	1.0%
2005/2006	$ 32,208,454,089	$ 1,587,421,541	$ 33,795,875,630	1.0%
2006/2007	$ 37,791,765,530	$ 1,680,662,352	$ 39,472,427,882	1.0%
2007/2008	$ 41,620,543,863	$ 1,724,988,175	$ 43,345,532,038	1.0%
2008/2009	$ 38,597,715,159	$ 1,826,743,622	$ 40,424,458,781	1.0%
2009/2010	$ 35,370,164,996	$ 1,926,983,957	$ 37,297,148,953	1.0%

Note: Values are net values of all exemptions except the Homeowners Property Tax Rekuef Exemption which is State subvented. However, adjustments and cancellations after publication of the roll are not included. Values do include the assessed value of non-commercial aircraft.

(1) Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1975 market value with an annual increase limited to the lesser of 2% or the CCPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. Resultantly, similar properties can have substantially different assessed values based on the date of purchase.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments. A small area of the County is taxed at a rate less than 1% due to a decrease of service in that area.

County of Stanislaus
Property Tax Rates and Distributions
of General Levy Property Tax Rate
Among Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Rates Per $100 of Assessed Valuation (Low)	(High)	County	Cities	(1) School District	(2) Special District	Total
1999/2000	0.8714	1.1728	11.73%	6.47%	74.20%	7.60%	100.00%
2000/2001	0.8715	1.1461	11.54%	6.43%	74.16%	7.87%	100.00%
2001/2002	0.9657	1.1382	11.53%	6.54%	73.80%	8.13%	100.00%
2002/2003	0.9498	1.1360	11.25%	6.49%	72.82%	9.44%	100.00%
2003/2004	0.9594	1.1280	11.18%	6.49%	73.24%	9.09%	100.00%
2004/2005	0.9500	1.1240	11.13%	6.49%	72.90%	9.48%	100.00%
2005/2006	0.9511	1.1668	10.88%	6.70%	72.28%	10.14%	100.00%
2006/2007	0.9283	1.1683	10.81%	6.79%	71.62%	10.78%	100.00%
2007/2008	0.9383	1.1683	10.84%	6.81%	71.25%	11.10%	100.00%
2008/2009	0.9233	1.2053	10.98%	6.52%	71.11%	11.39%	100.00%

The County is divided into approximately 1,538 tax code areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

(2) Includes independent special districts, dependent special districts, redevelopment agencies and County Fire Service.

County of Stanislaus
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Secured Assessed Value	2008/2009 Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	1999/2000 Property Taxes	Rank	Percentage of Total Property Taxes
World International	$ 52,875,377	$ 3,589,757	1	0.7569%			
Gallo Glass Co	232,211,422	2,543,430	2	0.5363%	$ 1,570,326	2	0.8294%
Gallo Winery	180,047,302	1,980,255	3	0.4175%	1,375,026	4	0.7262%
Pacific Gas and Electric	153,863,255	1,838,227	4	0.3876%	1,197,094	5	0.6323%
SBC California	115,402,753	1,378,681	5	0.2907%	1,765,429	1	0.9324%
Doctors Medical Center	127,783,612	1,368,817	6	0.2886%	1,048,600	7	0.5538%
Recot Inc (Frito Lay)	110,790,450	1,215,949	7	0.2564%			
Foster Dairy Farms	107,087,975	1,167,115	8	0.2461%			
Hunt Wesson Foods, Inc	102,029,196	1,141,780	9	0.2407%	1,052,586	6	0.5559%
Del Monte Corp	97,429,143	1,099,179	10	0.2318%			
Tri-Valley Growers					1,495,490	3	0.7899%
Beard Land Improvement Co					910,558	8	0.4809%
Macerich Vinatage Faire Ltd					818,562	9	0.4323%
Proctor and Gamble					792,176	10	0.4184%
Total	1,279,520,485	$ 17,323,190		3.6525%	$ 12,025,847		6.3515%

County of Stanislaus
Property Tax Levy and Collections *
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2000	$ 221,083,491	$ 216,197,440	97.79%
2001	$ 233,334,911	$ 228,045,563	97.73%
2002	$ 251,556,329	$ 245,881,778	97.74%
2003	$ 274,749,639	$ 270,047,250	98.29%
2004	$ 303,836,456	$ 295,829,739	97.36%
2005	$ 333,902,361	$ 326,003,357	97.63%
2006	$ 396,734,408	$ 383,041,323	96.55%
2007	$ 461,085,798	$ 431,482,886	93.58%
2008	$ 505,125,278	$ 464,689,972	91.99%
2009	$ 474,286,882	$ 451,524,927	95.20%

* Includes all taxing authorities within the County excluding Airplane Tax.

County of Stanislaus
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2000	$ 21,002,070,727	1.25%	$ 262,525,884	$ -	$ 262,525,884	0%
2001	$ 22,677,895,277	1.25%	$ 283,473,691	$ -	$ 283,473,691	0%
2002	$ 24,289,534,754	1.25%	$ 303,619,184	$ -	$ 303,619,184	0%
2003	$ 26,535,421,401	1.25%	$ 331,692,768	$ -	$ 331,692,768	0%
2004	$ 29,160,150,955	1.25%	$ 364,501,887	$ -	$ 364,501,887	0%
2005	$ 33,476,100,273	1.25%	$ 418,451,253	$ -	$ 418,451,253	0%
2006	$ 39,155,801,284	1.25%	$ 489,447,516	$ -	$ 489,447,516	0%
2007	$ 42,974,745,064	1.25%	$ 537,184,313	$ -	$ 537,184,313	0%
2008	$ 40,026,418,777	1.25%	$ 500,330,235	$ -	$ 500,330,235	0%
2009	$ 37,297,148,953	1.25%	$ 466,214,362	$ -	$ 466,214,362	0%

Note: The legal debt limit percentage is set by statue. Debt includes only general obligation bonded debt supported by property taxes.

COUNTY OF STANISLAUS
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
(as of January 1, 2009)

2008-09 Assessed Valuation:	$40,424,458,781 (includes unitary utility valuation)
Redevelopment Incremental Valuation:	3,760,566,122
Adjusted Assessed Valuation:	$36,663,892,659

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/09
Yosemite Community College District	70.881%	$162,384,827
Modesto High School District	100.	63,140,583
Turlock Joint Union High School District	98.369	34,571,785
Ceres Unified School District	100.	23,064,806
Newman-Crows Landing Unified School District	100.	11,904,091
Oakdale Joint Unified School District	98.348	18,096,032
Patterson Joint Unified School District	99.309	18,513,237
Riverbank Unified School District	100.	15,495,929
Other Unified School Districts	Various	43,086,977
Modesto City School District	100.	16,998,337
Sylvan School District	100.	28,625,000
Turlock Joint School District	98.032	9,935,543
Other School Districts	Various	19,324,745
Oak Valley Hospital District	100.	36,645,000
Newman Drainage District	100.	275,000
Empire Union School District Community Facilities District No. 87-1	100.	15,781,208
City Community Facilities Districts	100.	121,665,000
Salida Area Community Facilities District No. 1988-1	100.	34,515,000
Western Hills Water District Community Facilities District No. 1	100.	52,590,000
City 1915 Act Bonds (Estimate)	100.	12,320,106
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$738,933,206
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County Certificates of Participation	**100. %**	**$ 95,105,000**
Stanislaus County Pension Obligations	100.	48,070,000
Stanislaus County Office of Education Certificates of Participation	100.	5,105,000
Modesto High School and City School District Certificates of Participation	100.	9,950,000
Ceres Unified School District Certificates of Participation	100.	10,530,000
Newman-Crows Landing Unified School District	100.	11,835,000
Salida Union School District Certificates of Participation	100.	8,225,000
Other School District Certificates of Participation	Various	34,519,437
City of Modesto General Fund Obligations	100.	89,380,000
City of Newman Certificates of Participation	100.	2,150,000
Other City Certificates of Participation	100.	4,737,136
Keyes Fire Protection District Certificates of Participation	100.	219,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$319,825,573
Less: Salida Union School District self-supporting obligations from AIG investment agreement		2,000,000
City of Newman Wastewater Certificates of Participation (100% self-supporting)		2,150,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$315,675,573
GROSS COMBINED TOTAL DEBT		$1,058,758,779 [1]
NET COMBINED TOTAL DEBT		$1,054,608,779

[1] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.83%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt ($143,175,000)	0.39%
Gross Combined Total Debt	2.89%
Net Combined Total Debt	2.88%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08: $0

Source: California Municipal Statistics, Inc.

County of Stanislaus
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2000	441,364	10,572,639	23,501	8.6%
2001	446,997	10,916,779	23,467	9.1%
2002	469,512	11,460,836	23,871	10.8%
2003	481,604	11,944,709	24,337	11.2%
2004	491,900	12,880,334	25,885	10.9%
2005	504,482	13,472,415	26,954	9.9%
2006	514,370	14,076,261	27,862	8.4%
2007	521,497	14,755,527	28,985	8.5%
2008	525,903	not available	not available	10.5%
2009	526,383	not available	not available	15.3%

Sources:
(1) California Department of Finance
(2) United States Department of Commerce
(3) State of California Employment Development Department (data shown is for the County)

County of Stanislaus
Principal Employers
Current Year and Nine Years Ago

(1) Employer	2009 Employees	2009 Rank	2009 Percentage of Total County Employment	2000 Employees	2000 Rank	2000 Percentage of Total County Employment
County of Stanislaus	4,458	1	2.16%	4,200	1	2.44%
E & J Gallo	3,250	2	1.58%	2,500	3	1.45%
Modesto City Schools	3,113	3	1.51%	3,000	2	1.74%
Memorial Medical Center	3,013	4	1.46%	2,100	7	1.22%
Turlock Unifed School District	2,120	5	1.03%			
Seneca Foods	2,100	6	1.02%			
Doctors Medical Center	1,984	7	0.96%	1,800	6	1.04%
Del Monte Foods	1,700	8	0.83%			
Foster Farms	1,647	9	0.80%	2,300	5	1.34%
Modesto Junior College	1,643	10	0.80%			
Tri-Valley Growers				1,300	4	0.75%
Emanuel Medical Center				1,200	8	0.70%
City of Modesto				1,100	9	0.64%
Ceres Unified School District				920	10	0.53%
Total	25,028		12.15%	20,420		1.85%

Source: (1) Stanislaus Economic Development & Workforce Alliance

County of Stanislaus
Full-time Employees by Function
Last Eight Fiscal Years

	Full-time Employees as of June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Function								
Governmental activities:								
General government	402	374	333	331	341	343	352	348
Public protection	1,342	1,301	1,317	1,368	1,378	1,441	1,486	1,464
Public ways and facilities	125	115	121	123	123	121	109	110
Health and sanitation	1,018	983	984	961	937	916	644	676
Public assistance	926	858	894	898	897	952	979	951
Education	85	89	91	92	93	94	94	88
Recreation	34	33	31	26	25	28	30	27
Total governmental activities	3,932	3,753	3,771	3,799	3,794	3,895	3,694	3,664
Business-type activities:								
Landfills	14	15	17	17	17	15	17	17
Behavioral Health	102	106	116	99	108	79	0	0
Health Clinics & Ancillary	273	256	263	243	222	217	193	229
Transit	3	3	3	3	3	3	3	3
Total business-type activities	392	380	399	362	350	314	213	249
Total Stanislaus County	4,324	4,133	4,170	4,161	4,144	4,209	3,907	3,913

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2009

GEOGRAPHICAL LOCATION :	Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.
AREA OF COUNTY :	Approximately 1,521 square miles
COUNTY SEAT :	Modesto, California
FORM OF GOVERNMENT :	General Law, County governed by five-member Board of Supervisors
DATE COUNTY FORMED :	April 1, 1854
FISCAL YEAR BEGINS :	July 1.

INCORPORATED CITIES :

Ceres	Newman	Riverbank
Hughson	Oakdale	Turlock
Modesto	Patterson	Waterford

Number of Special Districts Controlled by Board of Supervisors :

County Service Areas	24	Landscape and Lighting	8
Drainage	7	Cap. Imp.	1
Lighting	27	Total	67

Number of other Special Districts :

California Water	12	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	3	Reclamation	3
Community Services	8	Hospital	3
Flood Control & Drainage	2	Irrigation	4
Fire Protection	14	Drainage	1
Emergency Medical Service	1	Lighting	1
Redevelopment Agency	10	StanCOG	1
Finance Agency	2	Total	72

County of Stanislaus
Miscellaneous Statistical Data (continued)
June 30, 2009

ELECTION MAY 19, 2009
(County Registrar of Voters)

Registered Voters:	216,847
Number Voting:	58,340
Percent Voting:	26.90%

MILES OF COUNTY-MAINTAINED ROADS
(County Department of Public Works)

1,527

CONSTRUCTION PERMITS
(County Building Department)

Calendar Year	# of Permits	Cost of Permits
1998	3,283	$1,506,397
1999	2,110	$1,292,098
2000	3,201	$1,616,198
2001	3,522	$1,596,172
2002	3,281	$1,703,735
2003	3,504	$2,939,814
2004	3,515	$1,326,118
2005	3,813	$4,755,706
2006	3,965	$5,637,126
2007	3,076	$2,679,003
2008	2,448	$1,926,485

Stanislaus
County
Striving to be the Best